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MARKET CENTER RENOVATION



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SAN FRANCISCO PLANNING DEPARTMENT

MARKET CENTER RENOVATION

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September 27, 2002



PLANNING DEPARTMENT

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To Interested Parties Regarding the Attached Preliminary Negative Declaration:

A Preliminary Negative Declaration (PND) is being sent to you because you own property adjacent to the site, or because you have expressed an interest in the proposed project or the project area. Notice of publication of this document was printed in a newspaper of general circulation on the day that this was mailed to you.

Prior to consideration of the proposed project by decision makers (which may result in either approval or disapproval), the Department of City Planning is required to complete an environmental evaluation. In conformance with this requirement, the Department's Major Environmental Analysis Division has evaluated the current proposal and has determined that it could not **significantly** affect the environment. A Preliminary Negative Declaration containing this determination with supporting reasons is enclosed.

Within 20 calendar days from the date of publication indicated on the first page of the Preliminary Negative Declaration, any person may:

- 1) Review the attached materials for informational purposes.
- 2) Make recommendations for amendment of the text. (Text may be amended to clarify or correct statements and may be expanded to include additional relevant issues or to cover issues in greater depth. This may be done without the appeal described below). - OR -
- 3) Appeal the determination of no significant effect in a letter that specifies the grounds for such appeal and requests that an environmental impact report (EIR) be prepared. Send the appeal letter to the Department of City Planning, Attention: Paul Maltzer, 1660 Mission Street, Suite 500, San Francisco CA, 94103. **The letter must be accompanied by a check in the amount of \$209.00 payable to the Department of City Planning, and must be received by 5 p.m. on the 20th day following the date of the publication indicated on the first page of the Preliminary Negative Declaration.** The appeal letter and check may also be presented in person at the Planning Information Counter on the first floor at 1660 Mission Street, San Francisco.

An appeal requires the Planning Commission to determine whether or not an EIR must be prepared, based upon whether or not the project could have a substantial adverse effect on the physical environment. If an appeal is filed, there will be a public hearing at which anyone may testify for or against the contention that an EIR is required. In the absence of an appeal, the Negative Declaration shall be made final, subject to necessary modifications, at the end of the 20-day review period.

Please note that preparation or finalization of a Negative Declaration does not indicate a decision by the City to approve or to disapprove the proposed project. However, prior to making any such decision, the decision makers must review and consider the information contained in the Negative Declaration.

If you have any questions concerning the attached materials or this process, please contact the planner identified as the "Agency Contact Person" on the PND cover page.

DOCUMENTS DEPT.

SEP 30 2002

19-30-02.10 44 R.10

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PRELIMINARY MITIGATED NEGATIVE DECLARATION

Date of Publication of Preliminary Mitigated Negative Declaration: September 28, 2002

Lead Agency: Planning Department, City and County of San Francisco

Agency Contact Person: Nannie Turrell

Telephone: (415) 558-5994

Project Title: 2002.0466E, Market Center
Renovation

Project Sponsor/Contact: Tishman Speyer Properties, Ezra
Mersey, (415) 536-1850

Project Address: 555 and 575 Market Street

Assessor's Block and Lot: Block 3708, Lots 57 and 58

City and County: San Francisco

Project Description: The Market Center project site is located on Market Street, continuing south to Stevenson Street, between First and Second Streets. The site is on Assessor's Block 3708, Lots 57 and 58. Market Center consists of two office buildings (555 Market Street and 575 Market Street) and an open-air plaza.

575 Market Street is a 40-story building with approximately 482,790 gross square feet (gsf) of office use plus a lobby and retail use on the street level, and two subsurface levels of mechanical and storage use. Changes to 575 Market Street would consist of conversion of floors 22 through 40 from office to residential use, removing 241,395 gsf of office use and adding 134 residential units (241,395 gsf of residential use) to the building. Exterior renovations would include the remodeling of windows on floors 22 through 40 and façade renovations on the lower 40 feet. 555 Market Street is a 21-story building with approximately 267,950 gsf of office use, plus office/retail/lobby on the street level, and two subsurface levels of parking. Changes to 555 Market Street would be two approximately 230 gsf per floor additions, one on the east side and one on the west side of the building at levels 1 through 5, and an approximately 6,320 gsf per floor addition on the south side of the building at levels 6 through 21. Approximately 111,380 gsf would be added to the structure, comprised primarily of office space. The existing levels 1 and 2, would be reconstructed to accommodate one level of lobby/retail/parking and two levels of parking. Minor exterior renovations would be made to update the facade on the lower 40 feet of the building. Overall, the project would add about 134 residential units to the site and reduce total office by 159,715, to about 591,025 gsf.

The approximately 10,000-square-foot plaza in the center of the site, between the two buildings, would be redesigned to be more useable and accessible, including providing pedestrian access between Market and Stevenson Streets.

The site is zoned C-3-O (Downtown Office), and is in 500-S (555 Market Street) and 300-S (575 Market Street) Height and Bulk Districts. The proposed project would require Planning Code Section 309 review from the Planning Commission for exceptions to the rear yard setback and bulk requirements, and conditional use authorization for providing parking in excess of allowable accessory parking.

Building Permit Application Numbers: No building permit applications have been filed.

THIS PROJECT COULD NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT. This finding is based upon the criteria of the Guidelines of the State Secretary for Resources, Sections 15064 (Determining Significant Effect), 15065 (Mandatory Findings of Significance) and 15070 (Decision to Prepare a Negative Declaration), and the following reasons as documented in the Initial Evaluation (Initial Study) for the project, which is attached: -Over-

Mitigation measures included in this project to avoid potentially significant effects: See pages 33-39

cc: Michael Li, Neighborhood Planning Northeast Quadrant
Ezra Mersey, Project Sponsor
Distribution List

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INITIAL STUDY

2002.0466E: Market Center Renovation

I. PROJECT SITE

The Market Center project site is on the south side of Market Street, in the center of the block between First and Second Streets, and across from the intersection of Sutter and Market Streets, as shown in Figure 1. The 54,364 square-foot site extends south to Stevenson Street. The site is on Assessor's Block 3708, Lots 57 and 58, and is located in San Francisco's downtown core, an area of office towers with ground-floor commercial uses, hotels, and some residential uses.

Market Center consists of two office buildings, 555 Market Street and 575 Market Street, separated by an open-air plaza. 555 Market Street was built in 1964 and 575 Market Street was built in 1975 for Standard Oil of California (Standard Oil of California changed its name to the Chevron Corporation in 1984). Market Center was sold to TST 555/575 Market, LLC, an affiliate of Tishman Speyer Properties in 1999 when Chevron moved its headquarters to San Ramon.

II. PROJECT DESCRIPTION

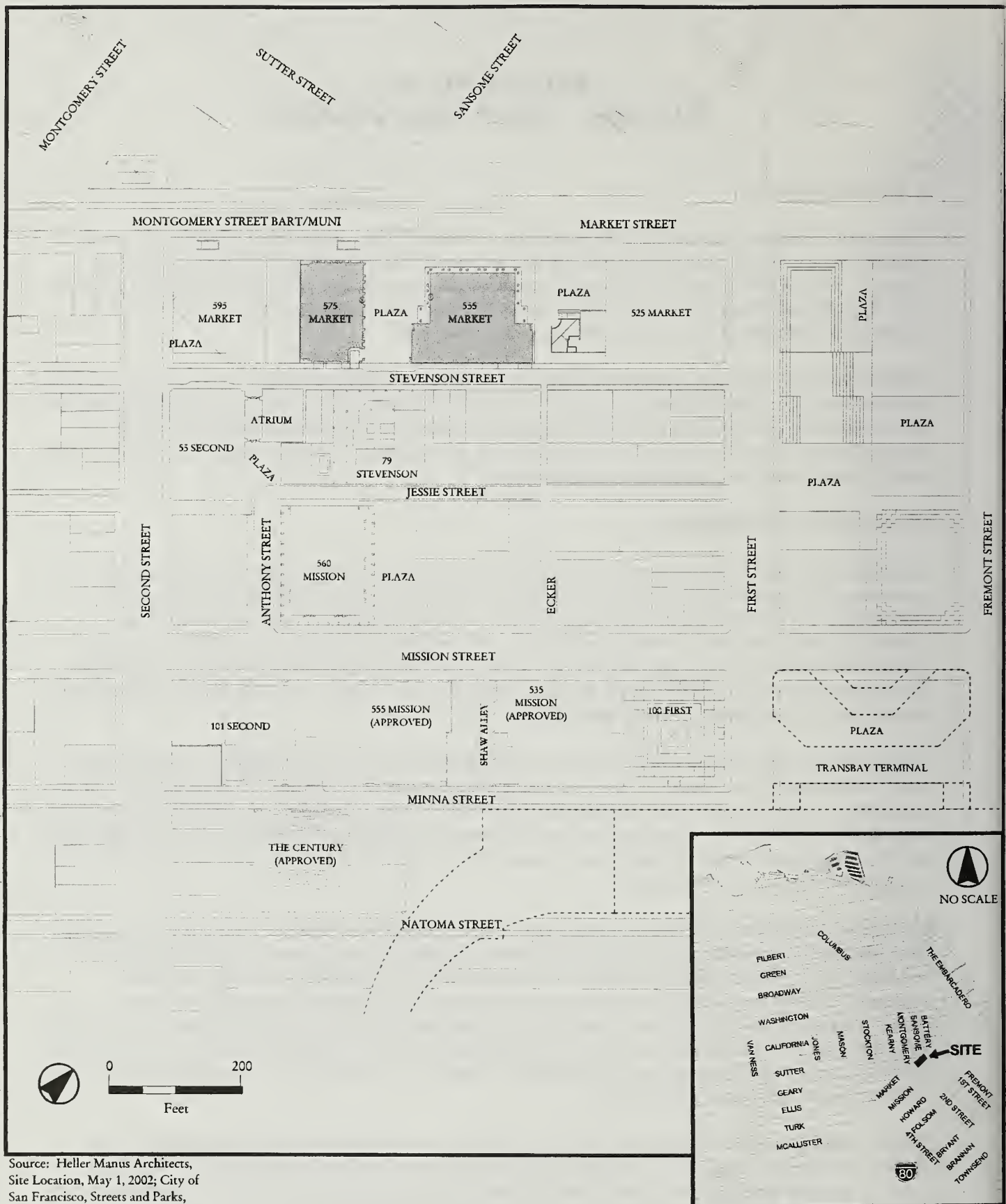
The proposed project is the renovation, expansion and change of use of the Market Center buildings and open space. The project would include converting 241,395 gross square feet (gsf) of office use to residential use at 575 Market Street and relocating 102,515 gsf of office use to 555 Market Street. Overall, 134 residential units would be added to the site and office use would be reduced at the site by 159,715 gsf to about 591,025 gsf. Parking on the site would be increased by 103 striped spaces at 555 Market Street for a total of 136 striped spaces. The plaza in the center of the site would be redesigned to provide more accessible and useable open space.

The 575 Market Street office building is on the west end of the site. It is a rectangular-shaped 40-story office building with three upper levels of mechanical for a maximum height of 573 feet (measured to the top of the last legal floor, mechanical level 3). It currently contains approximately 482,790 gsf of office use, and the ground floor contains approximately 5,240 gsf of retail use, 5,850 gsf of lobby use, and 2,210 gsf of loading space (there is a loading dock accessible from Stevenson Street). There are two subsurface levels of mechanical and storage use.

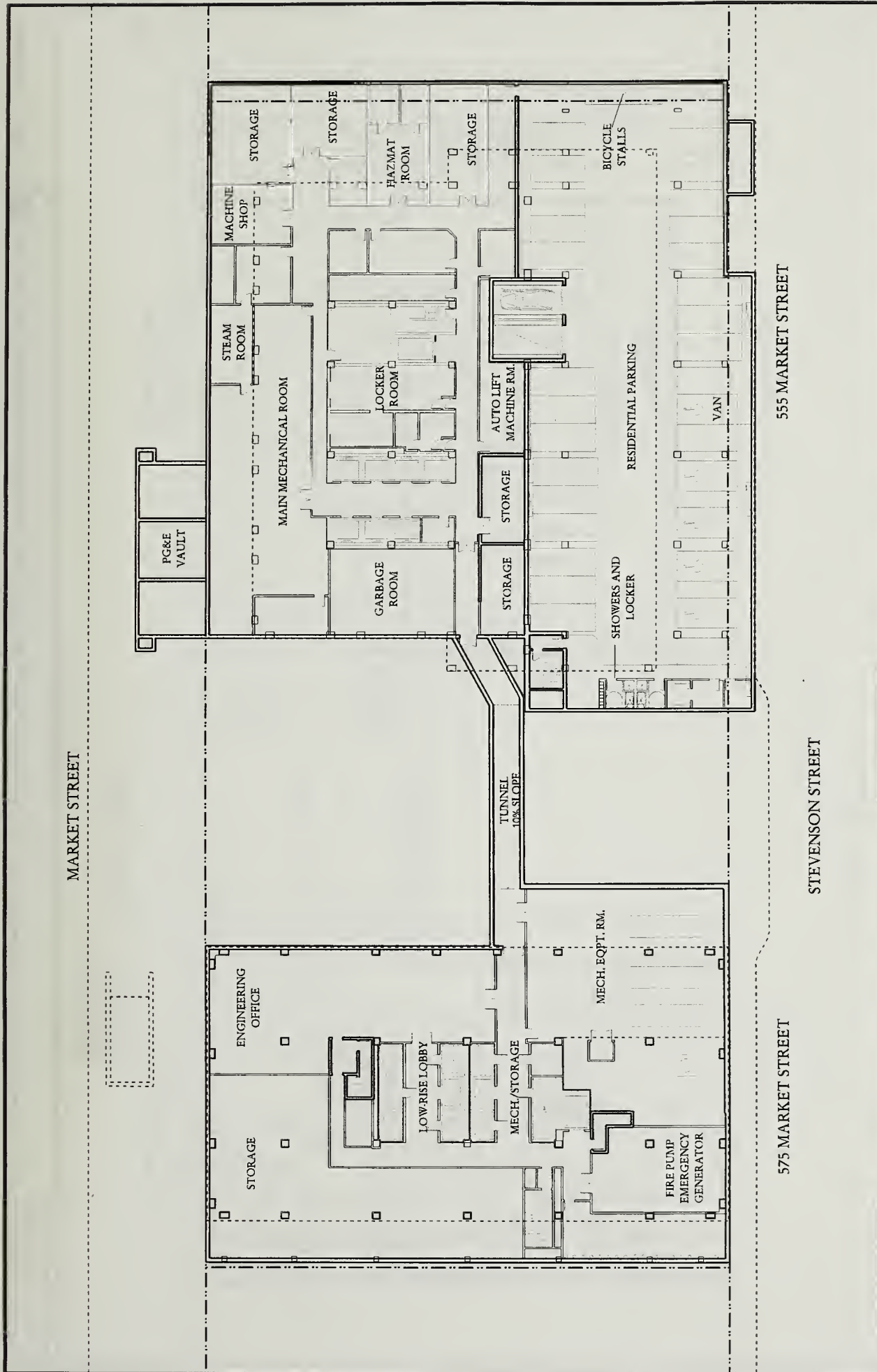
Changes to 575 Market Street would consist primarily of conversion of floors 22 through 40 from office to residential use, removing 241,395 gsf of office use and adding 134 residential units (241,395 gsf of residential use). The existing lobby would be modified to provide separate residential and office entrances. The existing high-rise elevators that serve floors 22 through 40 would serve the new residential floors. Two loading docks would be added adjacent to the existing loading dock, all accessible from Stevenson Street. Figures 2A-2F show the proposed site plan. Exterior renovations would include the remodeling of windows on floors 22 through 40 to better serve residential uses and façade renovations on the lower 40 feet (see Figures 3A-3B).

The 555 Market Street building is at the east end of the site. It is a 21-story office building with two levels of mechanical space, with a maximum height of 298 feet (measured to the top of the last legal floor, mechanical level 2). It currently contains approximately 267,950 gsf of office use, and consists of a low-rise portion (floors 1 through 5 have a footprint of 22,025 gsf) and a tower (floors 6 through 21 have a footprint of 11,315 gsf). The ground floor contains approximately 5,610 gsf of office use, 3,950 gsf of retail use, 6,105 gsf of lobby use, and 750 gsf of mechanical and storage use. There are two subsurface levels of parking with a total of 33 striped spaces, accommodating about 40 vehicles with valet operations, accessible from Stevenson Street.

C:\GIS\Projects\Market Center 10645\market_report_maps.apr

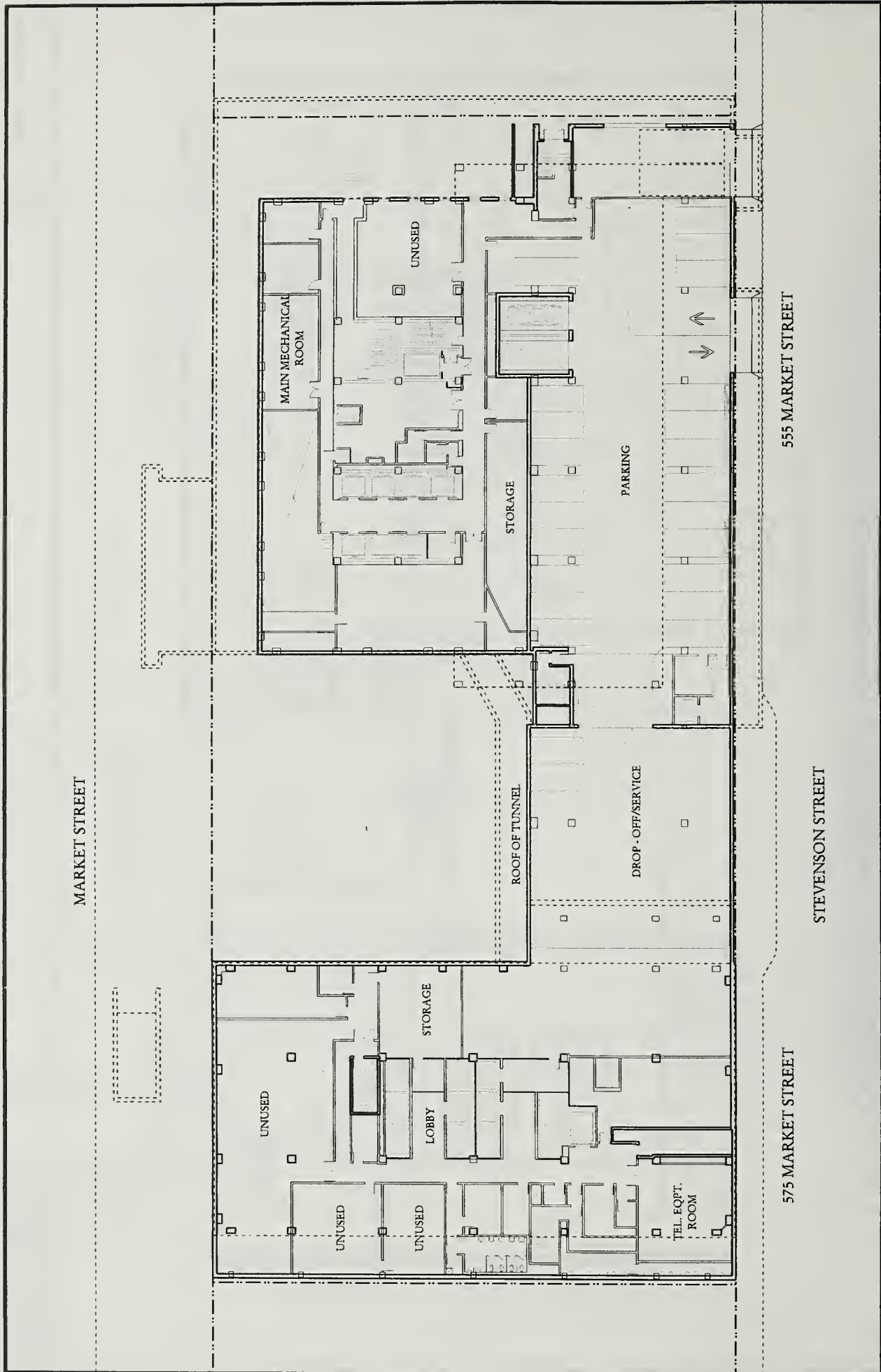


MARKET CENTER RENOVATION
FIGURE 1: PROJECT LOCATION



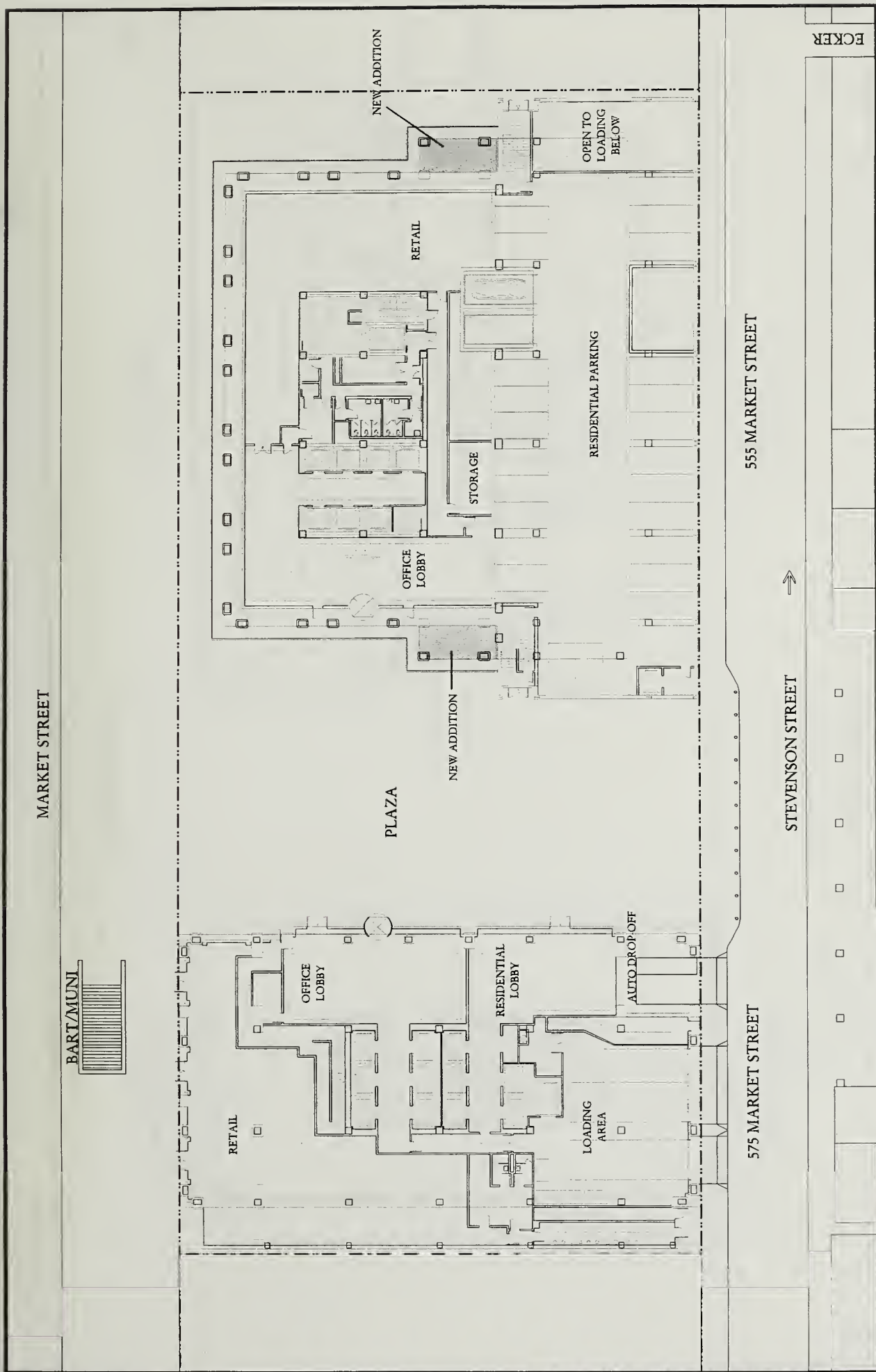
MARKET CENTER RENOVATION
**FIGURE 2A: PROPOSED SITE PLAN
 B2 LEVEL**

Source: Heller Manus Architects,
 B2 Level Plan, May 1, 2002; and
 EIP Associates, GIS Program,
 June 26, 2002.



MARKET CENTER RENOVATION
FIGURE 2B: PROPOSED SITE PLAN
B1 LEVEL

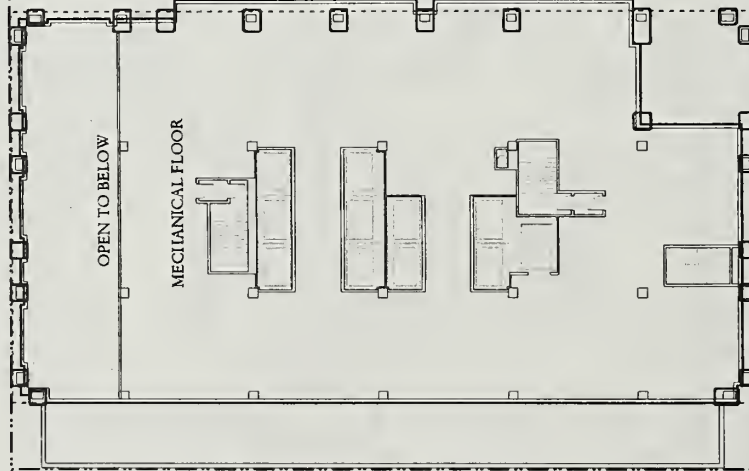
Source: Heller Manus Architects,
 B2 Level Plan, May 1, 2002; and
 EIP Associates, GIS Program,
 June 26, 2002.



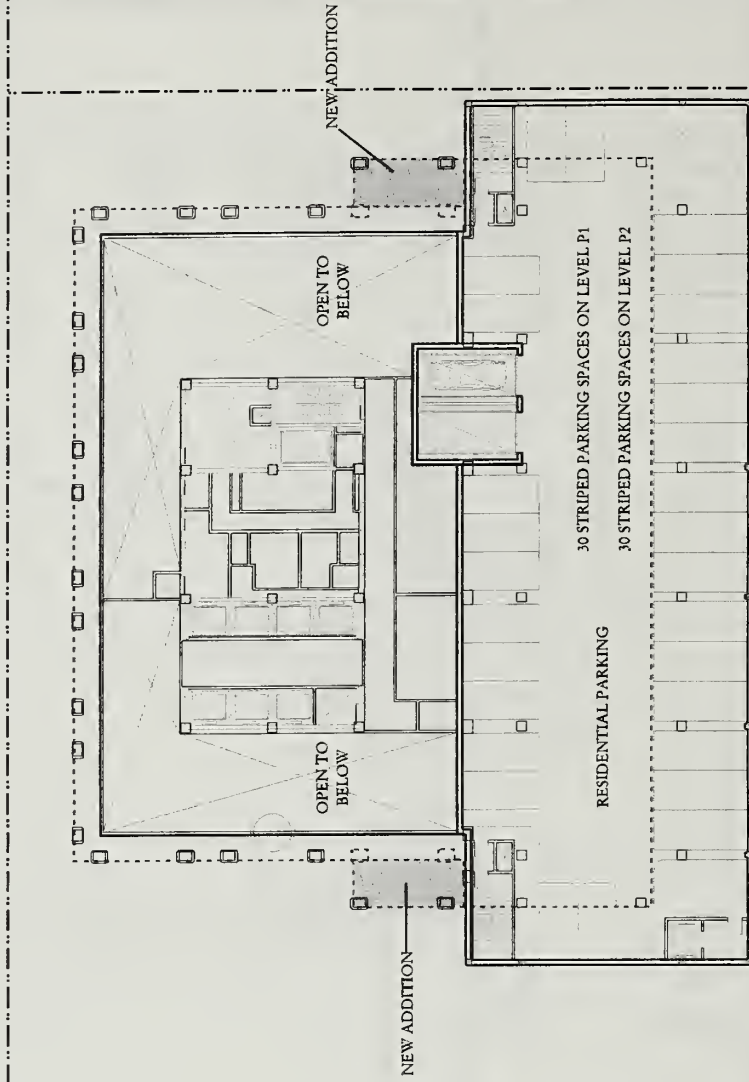
Source: Heller Manus Architects,
 First Level Plan, May 1, 2002; and
 EJP Associates, GIS Program,
 June 26, 2002.

MARKET CENTER RENOVATION
FIGURE 2C: PROPOSED SITE PLAN
FIRST LEVEL

MARKET STREET



575 MARKET STREET
FLOOR 2



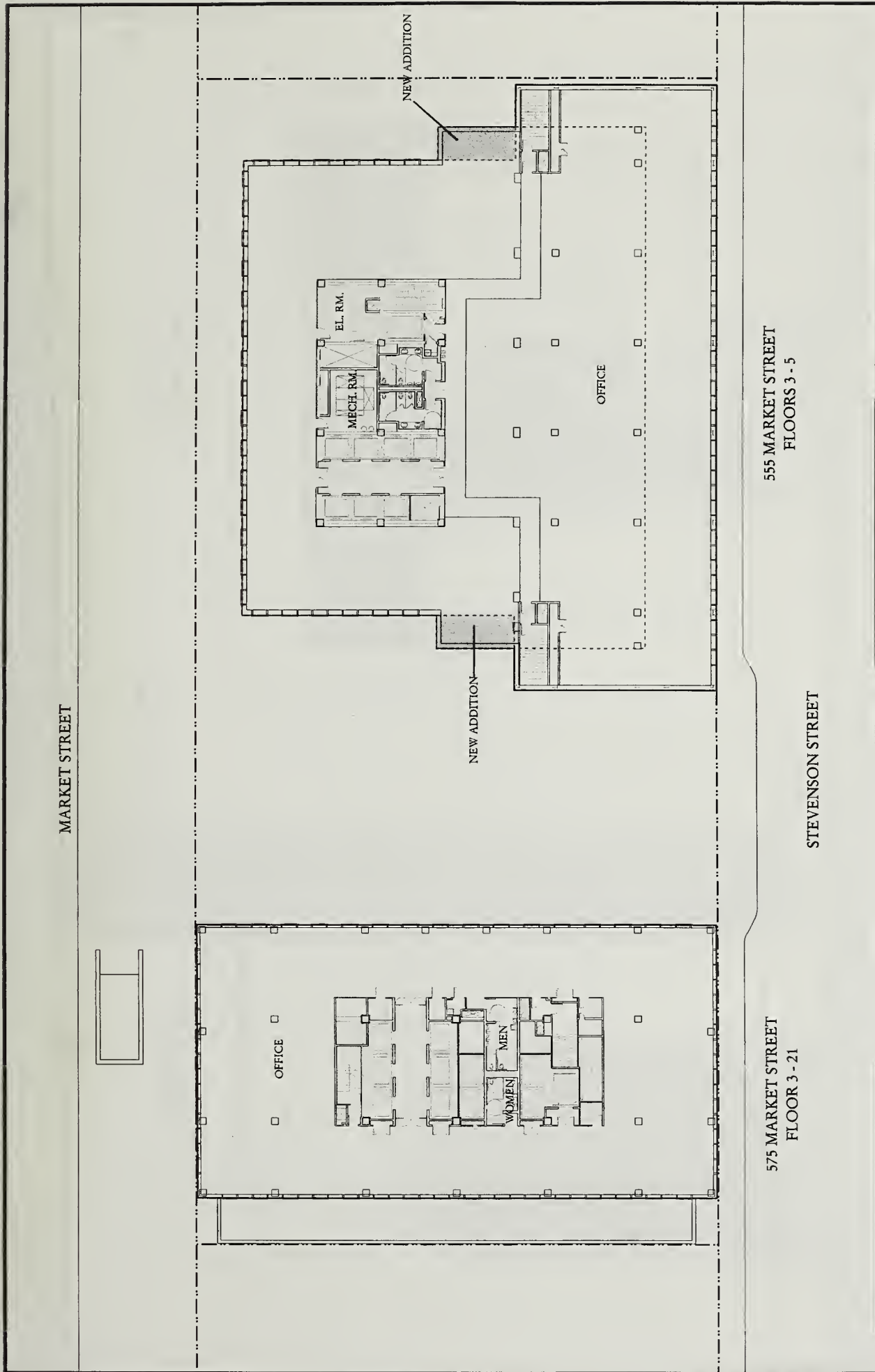
555 MARKET STREET
FLOORS P1 - P2

STEVENSON STREET

Source: Heller Manus Architects,
P1 - P2 Level Plan, May 1, 2002;
and EIP Associates, GIS Program,
June 26, 2002.

MARKET CENTER RENOVATION
FIGURE 2D: PROPOSED SITE PLAN
P1 - P2 LEVEL

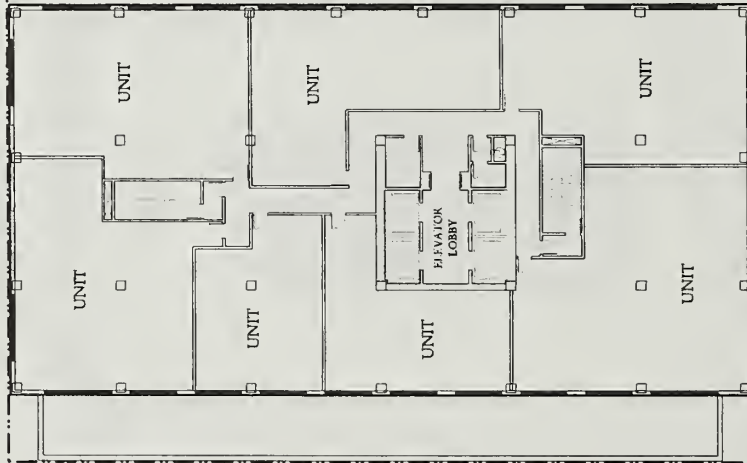




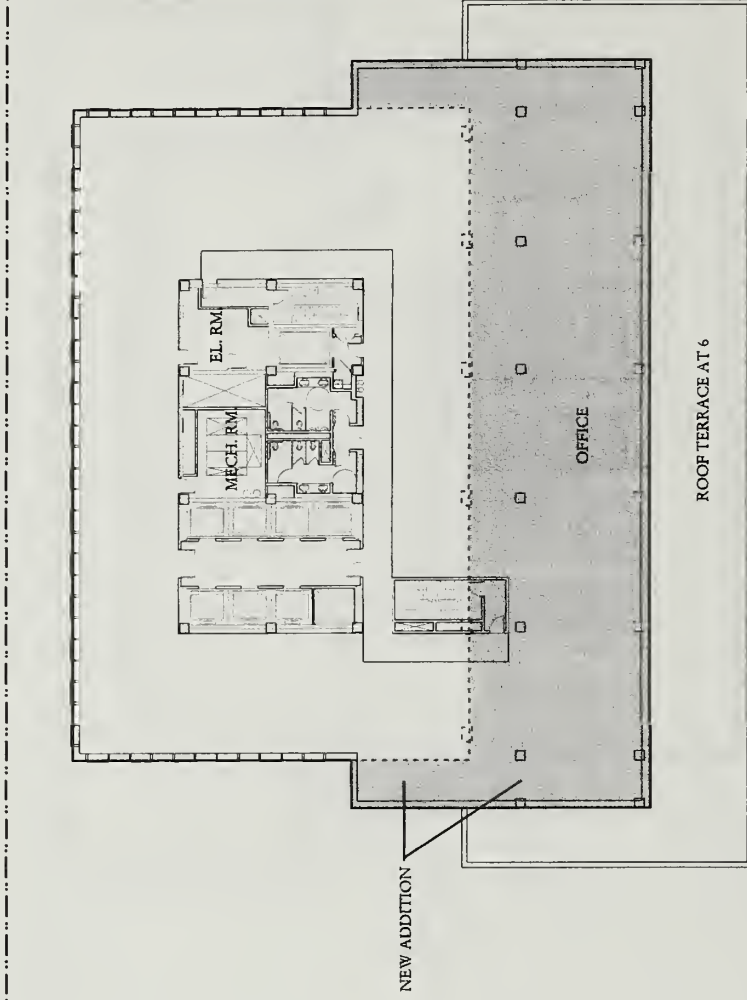
Source: Heller Manus Architects,
Lower Tower Plan, May 1, 2002;
and EIP Associates, GIS Program,
June 26, 2002.

MARKET CENTER RENOVATION
FIGURE 2E: PROPOSED SITE PLAN
LOWER TOWER

MARKET STREET



575 MARKET STREET
FLOORS 24 - 40



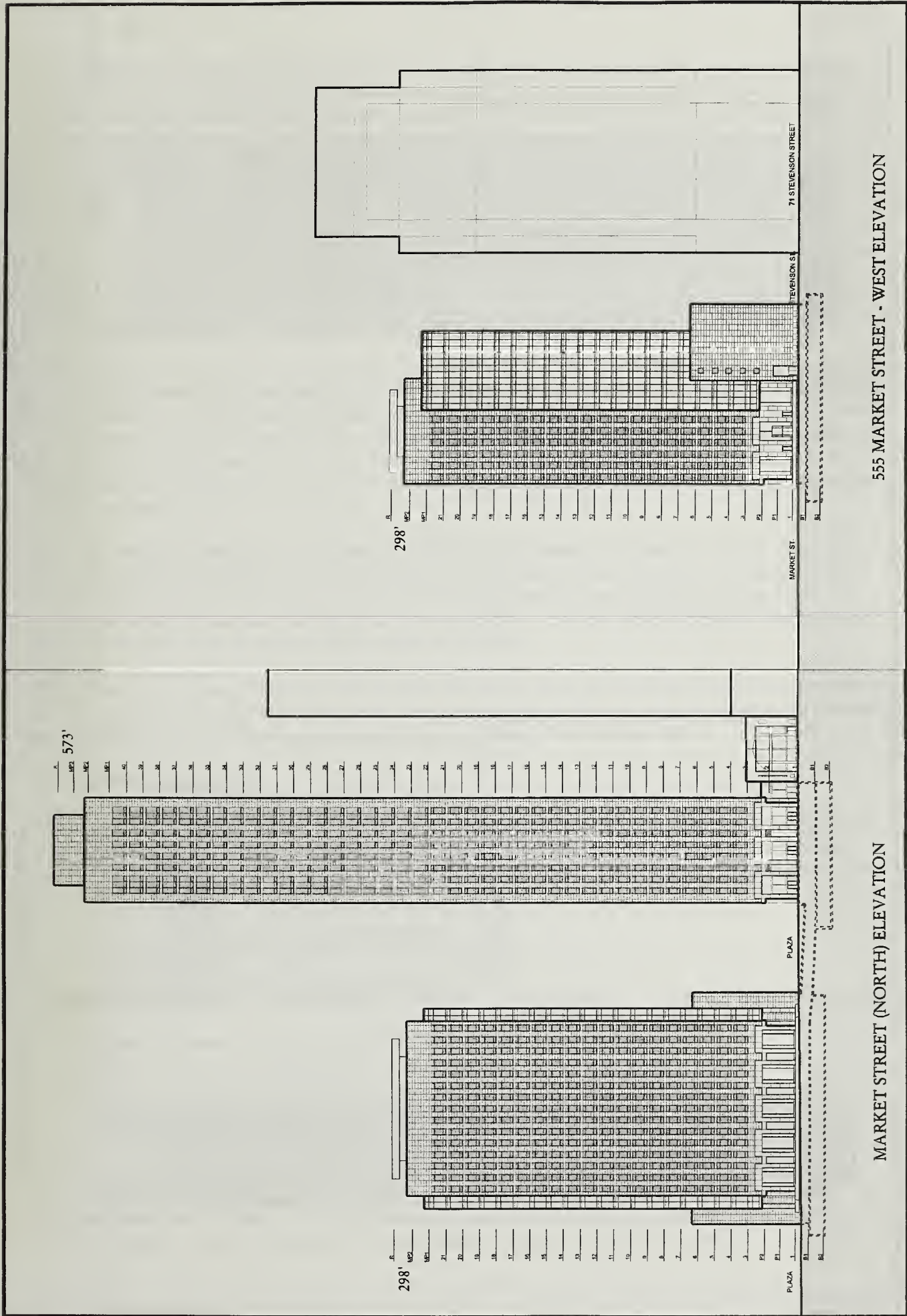
555 MARKET STREET
FLOORS 6 - 21

STEVENSON STREET



MARKET CENTER RENOVATION
FIGURE 2F: PROPOSED SITE PLAN
UPPER TOWER

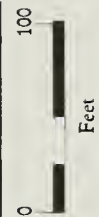
Source: Heller Manus Architects,
Upper Tower Plan, May 1, 2002;
and EIP Associates, GIS Program,
June 26, 2002.



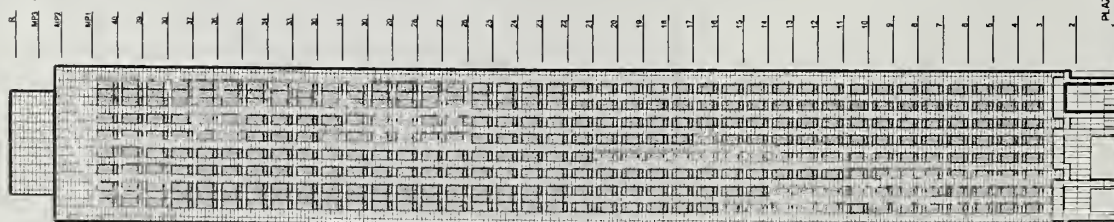
Source: Heller Manus Architects,
 Building Elevations, May 1, 2002;
 and EIP Associates, GIS Program,
 June 26, 2002.

MARKET CENTER RENOVATION

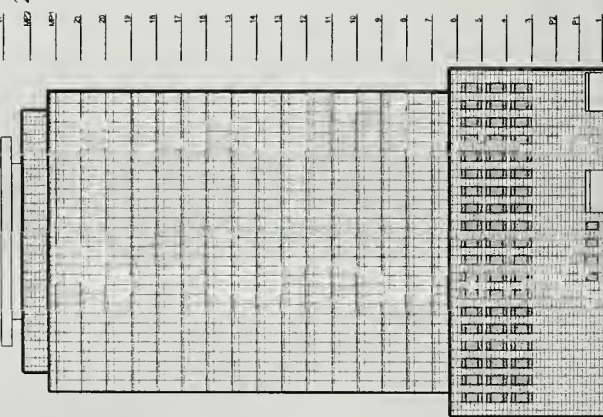
FIGURE 3A: PROPOSED ELEVATIONS



573'

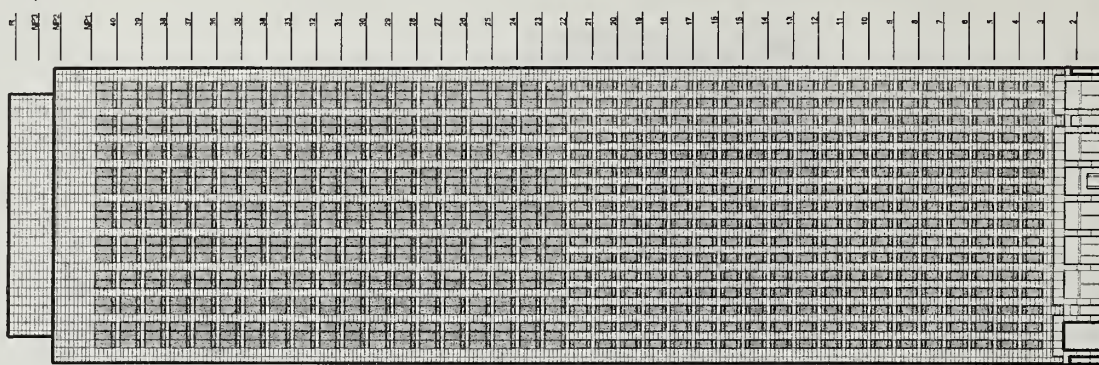


298'



STEVENSON STREET (SOUTH) ELEVATION

573'



575 MARKET STREET - EAST ELEVATION

The changes to 555 Market Street would be two approximately 230 gsf additions at levels 1 through 5, one on the center of the east side and one on the center of the west side of the building (see Figures 2C-2E), and an approximately 6,320 gsf per floor addition on the south side of the building (on Stevenson Street) at levels 6 through 21, extending up from the top of the low-rise roof deck (see Figure 2F). Minor exterior renovations would be made to update the facade on the lower 40 feet of the building to tie in with the proposed addition. Overall, the project would add approximately 111,380 gsf to the structure, comprised primarily of 102,515 gsf of office space. In addition, the existing levels 1 and 2, which currently consist of lobby/retail/office and office, respectively, would be reconstructed to accommodate one level of lobby/retail/parking and two levels of parking. The two subsurface levels of parking would remain for a total of 136 striped parking spaces, accommodating 176 vehicles with valet operations. Access to parking would remain on Stevenson Street; two loading spaces would be added east of the parking access.

The approximately 10,000-square-foot plaza in the center of the site, between the two buildings, consists of landscape plantings and walkways above the plantings, with one walkway between the two buildings which forms a "T" with a single walkway to the sidewalk on Market Street. Access to the plaza is limited to the walkway. There is currently no access through the plaza to Stevenson Street. The area would be redesigned to open the space up for the office and residential tenants as well as others in the area, and provide pedestrian access to and from Stevenson Street. The plaza would provide both public open space and private open space for the residences.

There is currently a pedestrian service tunnel at the B-2 Level between 555 and 575 Market Street (see Figure 2A). A new B1 Level tunnel extension between 555 and 575 Market Street is proposed to accommodate parking operations, and would allow for pedestrian access as well (see Figure 2B). The connection would be used as a parking pick-up/drop-off area. The new tunnel extension would require about 2,015 cubic yards of excavation at a depth of 13.5 feet.

The project would require Planning Code Section 309 review from the Planning Commission, including exceptions to the rear yard setback and bulk requirements, and conditional use authorization for providing parking in excess of accessory amounts as defined in Planning Code Section 204.5.

III. PROJECT SETTING

The project area is located in the central business district, in northeast San Francisco, about six blocks west along Market Street from the Ferry Building. The project site is in the center of a dense, urban block. Surrounding uses to the east, south and west, and to the north across Market Street include office towers with ground-floor commercial uses and plazas.

IV. INITIAL STUDY CHECKLIST AND DISCUSSION

| A. COMPATIBILITY WITH EXISTING ZONING AND PLANS | <u>Not Applicable</u> | <u>Discussed</u> |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------|
| 1) Discuss any variances, special authorizations, or changes proposed to the City Planning Code or Zoning Map, if applicable. | — | <u>X</u> |
| 2) Discuss any conflicts with any adopted environmental plans and goals of the City or Region, if applicable. | <u>X</u> | <u>X</u> |

The City Planning Code, which incorporates by reference the City's Zoning Maps, governs permitted uses, densities, and the configuration of buildings within San Francisco. Permits to construct new buildings (or to alter or demolish existing ones) may not be issued unless either the proposed project conforms to the Code, or an exception is granted pursuant to provisions of the Code.

The project site is in the C-3-O (Downtown Office) District, which permits office development, supported by some related retail and service uses. This district, which consists primarily of high quality office development, plays a leading national role in finance, corporate headquarters and service industries, and serves an employment center for the region. 555 Market Street is in a 500-S Height and Bulk District, which permits construction to a height of 500 feet, and 575 Market Street is in a 300-S Height and Bulk District, which permits construction to a height of 300 feet.

In addition to requiring building and demolition permits from the Department of Building Inspection, the proposed project would require Section 309 (Permit Review in C-3 Districts) exceptions for rear yard setbacks and bulk requirements, as well as possibly conditional use authorization for providing parking in excess of accessory amounts. The application for a review of a C-3 (Downtown) Project under Section 309 of the City Planning Code was submitted on July 11, 2002. The conditional use application was submitted on August 8, 2002.

Environmental plans and policies are those, like the Bay Area Air Quality Plan, which directly address environmental issues and/or contain targets or standards which must be met in order to preserve or improve characteristics of the City's physical environment. The current proposed project would not obviously or substantially conflict with any such adopted environmental plan or policy.

The City's General Plan, which provides general policies and objectives to guide land use decisions, contains some policies which relate to physical environmental issues. The project includes off-street parking in excess of the Planning Code requirements in a downtown area well served by transit. In general, potential conflicts with the General Plan are considered by decision makers independently of the environmental review process, as part of the decision whether to approve or disapprove a proposed project. Any potential conflict not identified here could be considered in that context, and would not alter the physical environmental effects of the proposed project.

In November 1986, the voters of San Francisco approved Proposition M, the Accountable Planning Initiative, which added Section 101.1 to the City Planning Code to establish eight Priority Policies. These policies are: preservation and enhancement of neighborhood-serving retail uses; protection of neighborhood character; preservation and enhancement of affordable housing; discouragement of commuter automobiles; protection of industrial and service land uses from commercial office development and enhancement of resident employment and business ownership; maximization of earthquake preparedness; landmark and historic building preservation; and protection of open space. Prior to issuing a permit for any project which requires an Initial Study under CEQA, and prior to issuing a permit for any demolition, conversion, or change of use, and prior to taking any action which requires a finding of consistency with the General Plan, the City is required to find that the proposed project or legislation is consistent with the Priority Policies.

The case report for the Section 309 review and the conditional use authorization and/or subsequent motion by the San Francisco Planning Commission would contain the analysis determining whether the proposed project is in compliance with the eight Priority Policies.

B. ENVIRONMENTAL EFFECTS

All items in this section of the Initial Study Checklist have been checked "No" indicating that, upon evaluation, staff has determined that the proposed project could not have a significant adverse environmental effect. Several of those Checklist items have also been checked "Discussed" indicating that the Initial Study text includes discussion about that particular issue. For all of the items checked "No" without discussion, the conclusions regarding potential significant adverse environmental effects are based upon field observation, staff experience and expertise on similar projects, and/or standard reference

material available within the Department, such as the Department's *Transportation Guidelines for Environmental Review*, or the California Natural Diversity Data Base and maps, published by the California Department of Fish and Game. For each checklist item, the evaluation has considered the impacts of the project both individually and cumulatively.

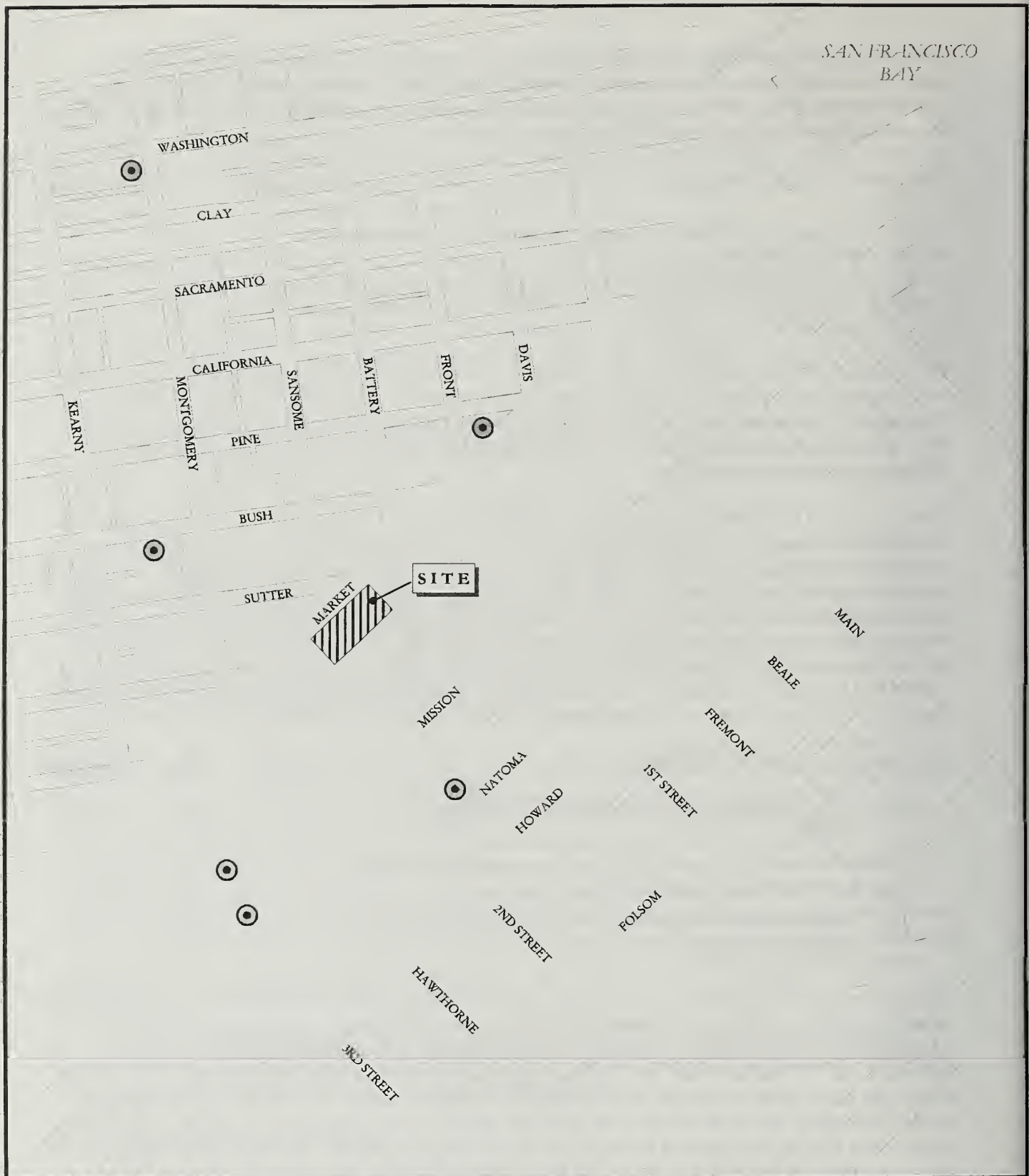
| 1) <u>Land Use</u> . Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
|------------------------------------------------------------------------------|------------|-----------|------------------|
| (a) Disrupt or divide the physical arrangement of an established community? | — | <u>X</u> | <u>X</u> |
| (b) Have any substantial impact upon the existing character of the vicinity? | — | <u>X</u> | <u>X</u> |

The proposed project would not disrupt or divide the physical arrangement of an established community. As discussed in the Project Description, the existing Market Center buildings were constructed for the Standard Oil/Chevron Corporation headquarters between 1964 and 1975. The two buildings on the site are proposed for a change of use, relocation of existing uses and expansion. Only minor interior and exterior renovations are proposed.

Uses in the C-3-O District focus primarily on high-quality office development, supporting the city in its national role in finance, corporate headquarters and service industries, and serving as an employment center for the region. However, residential use is permitted as a principal use in this district. Surrounding land uses, primarily office towers with ground-floor retail and lobbies, and some residential uses, are similar to the existing uses on the site. The introduction of residential space would be a new use at the site; such use would be similar to residential uses at other buildings in the downtown core, such as 388 Market Street, 333 Bush Street, 611 Montgomery Street, the approved Century residential tower at Second and Natoma Streets and the Paramount and St. Regis at Third and Mission Streets (see Figure 4). Therefore, the project would not have substantial adverse impact on the existing character of the area.

| 2) <u>Visual Quality</u> . Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
|------------------------------------------------------------------------------------------------|------------|-----------|------------------|
| (a) Have a substantial, demonstrable negative aesthetic effect? | — | <u>X</u> | <u>X</u> |
| (b) Substantially degrade or obstruct any scenic view or vista now observed from public areas? | — | <u>X</u> | <u>X</u> |
| (c) Generate obtrusive light or glare substantially impacting other properties? | — | <u>X</u> | <u>X</u> |

The project would retain the existing buildings. With the exception of new windows for floors 22-40, and façade renovations on the lower 40 feet of the building, there would be no major external changes proposed for 575 Market Street. The lobby entrances and other ground-floor features would also be renovated. At 555 Market Street, the proposed expansion of the floor plates by 6,320 gsf on floors 6-21 would take place on the south side of the building on Stevenson Street. The two 230 gsf additions to levels 1 through 5, one on the center of the east side and one on the center of the west side of the building, would assist in tying the proposed additions into the existing architecture. These proposed changes would not substantially increase the size of the 555 Market Street building, nor adversely affect the appearance of the ground level plaza. The existing ground level plaza between the two structures would be redesigned to be more useable and accessible. Therefore, the proposed project would not have a negative aesthetic effect.



Source: Tishman Speyer Properties,
Residential Use Locations, August 2002;
City of San Francisco, Streets and Parks,
February 15, 2000; and EIP Associates,
GIS Program, September 3, 2002.



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MARKET CENTER RENOVATION

**FIGURE 4: EXISTING OR UNDER CONSTRUCTION
RESIDENTIAL USES IN THE C-3-0 ZONING DISTRICT**

Public areas in the project vicinity consist primarily of sidewalks and of plazas between office structures in the downtown core. The changes in floor dimensions at 575 Market Street would not significantly change views to and through the site from these locations. The other changes to 575 Market Street, of which the majority would be on floors 22-40, would not change or obstruct scenic views from public areas.

The project would not generate obtrusive light and glare. Additional exterior lighting would be provided only for safety and security purposes, and change in fenestration above the 22nd floor at 575 Market Street may alter any existing glare; however, the project would not substantially increase ambient light levels in the project area, and light and glare produced by the project would be typical of office structures in the downtown area. Furthermore, the project would comply with Planning Commission Resolution 9212, which prohibits the use of mirrored or reflective glass.

| 3) <u>Population</u> . Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
|----------------------------------------------------------------------------------------------------------------------|------------|-----------|------------------|
| (a) Induce substantial growth or concentration of population? | — | <u>X</u> | <u>X</u> |
| (b) Displace a large number of people (involving either housing or employment)? | — | <u>X</u> | <u>X</u> |
| (c) Create a substantial demand for additional housing in San Francisco, or substantially reduce the housing supply? | — | <u>X</u> | — |

Historically, Market Center has had an occupancy rate close to 100 percent for the existing 750,740 gsf of office space. Assuming a factor of 275 square feet per employee, there have been approximately 2,730 employees on the site. Over the past several months, in anticipation of the proposed project, as space has become available in 555 Market Center and as vacancies in the downtown area have increased, Tishman Speyer Properties has shifted tenants out of 575 Market Street floors 20-40. With these floors vacant, there are currently approximately 1,850 employees on the site. With the proposed project, and the net decrease of about 160,000 gsf of office space, Market Center would accommodate about 2,225 employees at full occupancy. The addition of 134 dwelling units to the site, with about 67 one-bedroom and 67 two-bedroom units, would add approximately 230 residents.¹ The proposed project would not induce substantial growth or concentration of population and would not displace a large number of employees.

| 4) <u>Transportation/Parking</u> . Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
|---------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|------------------|
| (a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system? | — | <u>X</u> | <u>X</u> |
| (b) Interfere with existing transportation systems, causing substantial alterations to circulation patterns or major traffic hazards? | — | <u>X</u> | <u>X</u> |
| (c) Cause a substantial increase in transit demand which cannot be accommodated by existing or proposed transit capacity? | — | <u>X</u> | <u>X</u> |
| (d) Cause a substantial increase in parking demand which cannot be accommodated by existing parking facilities? | — | <u>X</u> | <u>X</u> |

¹ City and County of San Francisco Planning Department and San Francisco Redevelopment Agency. *Mission Bay Final Subsequent Environmental Impact Report*. pp. V.C.33. September 17, 1998.

A transportation study was prepared for the proposed Market Center project and is available for public review at the Planning Department.² The following is a summary of the transportation study.

Setting

Several freeways and major arterials link the project area with other regions in the City. Regional access is provided to the area by three freeways, I-80, US 101, and I-280. I-80 is two blocks south of the project site between Harrison and Bryant Streets. Access between the project site and I-280 is approximately one mile south of the project in the vicinity of Fifth and Brannan Streets. Access between the project site and US 101 is approximately 1.5 miles west in the vicinity of Market and Van Ness Streets.

The project site is on Market Street, extending to Stevenson Street, between First and Second Streets. Market Street is a northeast-southwest roadway from The Embarcadero to Portola Drive in Twin Peaks. In the project area, Market Street has two lanes in each direction and 25- to 31-foot sidewalks. Left-turns are prohibited from Market Street between Drumm/Main Streets and Franklin/Valencia Streets. This street is designated as a Transit Preferential Street between Castro Street and Steuart Street in the San Francisco General Plan and is heavily used by transit vehicles. Between Steuart and Castro Streets, Market Street has streetcar tracks running down the center lanes in both directions. There are bus-only lanes on Market Street between Van Ness Avenue and Fifth Street for inbound traffic and between Van Ness Avenue and Eighth Street for outbound traffic. Transit stops are located both at the curbside and at raised islands. The curbside stops are staggered from the island stops to avoid blocking traffic circulation. Market Street is designated as a Neighborhood Pedestrian Street, and is part of the Citywide Pedestrian Network and the Citywide Bicycle Route Network. Along both sides of the street are intermittent passenger loading and delivery zones. Parking is not permitted on Market Street in the study area.

Stevenson Street is a one-way eastbound alleyway paralleling Market and Mission Streets. For most of its length, it is approximately 26 feet wide, but narrows to approximately 14 feet at various points. On the block between First and Second Streets, Stevenson Street has 3 on-street parking spaces and 12 on-street metered loading spaces, and approximately 10- to 14-foot sidewalks on both sides.

First Street runs between Market and Harrison Streets. It is a one-way, southbound road from downtown to the Bay Bridge on-ramp at Harrison Street and generally has four travel lanes and traffic signals located at all intersections with other major streets. There are 10-foot sidewalks and on-street parking on both sides of the street. The San Francisco General Plan identifies First Street as a Major Arterial. It is also part of the Citywide Congestion Management Network and a regional Metropolitan Transportation System (MTS) street. The section of First Street between Market Street and the Transbay Terminal is designated as a Transit Important Street, due to the significant number of MUNI and Golden Gate buses traveling on this block. The section of First Street between Market and Howard Streets is classified as a Neighborhood Pedestrian Street.

Second Street runs between Market and King Streets. It is a two-way street and generally has two travel lanes in each direction, with traffic signals located at all intersections with other major streets. Second Street has only one northbound lane between Market and Mission Streets. There are 10-foot sidewalks and on-street parking on both sides of the street. The San Francisco General Plan identifies Second Street as a Neighborhood Pedestrian Street and a Citywide Bicycle Route. The section of Second Street between Howard and Harrison Streets is classified as a Secondary Transit Street.

² CHS Consulting Group. *555-575 Market Street Transportation Study. Case No. 2002.0466! Final Report.* September 26, 2002.

The project site is in the heart of a major transit service area. It includes the Market Street transportation corridor, where MUNI, MUNI Metro and BART all provide service, the east-west Post/Sutter transportation corridor, the north-south Second/Third Street transportation corridor, and the north-south First/Fremont Street transportation corridor. Twenty-seven MUNI transit routes serve the study area, including all six of its light rail lines. Bus stops are generally spaced one block apart in the South of Market area. North of Market Street, stops are spaced approximately every other block. The project is approximately six blocks west of the Ferry Building, three blocks north of the Transbay Terminal, and is adjacent to the Montgomery Street BART station. As such, the regional transit systems serving the project area include BART, Caltrain, SamTrans, Golden Gate Transit (bus and ferry), AC Transit, and Blue & Gold Fleet.

Project Travel Demand Analysis

Table 1 shows the estimated person-trips generated by the existing office and retail uses at the project site. Person-trips were calculated based on the Interim Transportation Impact Analysis Guidelines for Environmental Review (*SF Guidelines*) published by the San Francisco Planning Department in January, 2000, Appendix C, and the occupied square footage for each use in the third quarter of 2000.

| Table 1 | | | |
|------------------------------|--------------------------|---------------------------|-----------------------------|
| Existing Person-Trips | | | |
| Land Use | Occupied Size | Daily Person-Trips | PM Peak Person-Trips |
| Retail | 9,190 gsf | 1,379 | 124 |
| Office | 653,000 gsf ^a | 11,822 | 1,005 |
| Total | | 13,201 | 1,129 |

Source: CHS Consulting Group

Note: a - Occupied office space in third quarter of 2000.

Table 2 presents the estimated total and net new person-trips generated by the proposed project. Person-trips for the proposed project were estimated based on the trip generation rates obtained from the *SF Guidelines*. The proposed project is estimated to generate a total of approximately 150 fewer net new daily person-trips (inbound and outbound), and approximately 90 additional net new PM peak hour person-trips (inbound and outbound). The total number of daily trips is reduced due to the lower trip generation rates associated with residential uses versus office uses. However, the peak hour factor for residential uses is higher than that for office uses. Therefore, the number of peak hour person-trips would increase with the proposed project while the total number of daily trips would decrease.

The person-trips generated by the proposed project were assigned to transportation modes to determine the number of vehicle trips to and from the site. Mode split information for the proposed uses was based on the *SF Guidelines* for the C-3 District.

| Table 2 Project and Net New Person-Trip Generation | | | | |
|---------------------------------------------------------------------|----------------------|-------------------------------------|---------------------------|----------------------------------|
| Land Use | Proposed Size | Daily Trip Rate | Daily Person-Trips | PM Peak Hour Person-Trips |
| Retail | 7,875 gsf | 150 person-trips per 1,000 gsf | 1,181 | 106 |
| Office | 591,025 gsf | 18.1 person-trips per 1,000 gsf | 10,698 | 909 |
| Residential | 67 - 1 br | 7.5 trips per studio/1 bedroom unit | 1,172 | 203 |
| | 67 - 2 br | 10 trips per 2+ bedroom unit | | |
| Total Project Person-Trips | | | 13,051 | 1,219 |
| Existing Person-Trips | | | 13,201 | 1,129 |
| Net New Person-Trips | | | - 150 | 90 |

Source: CHS Consulting Group

Note: Figures may not sum correctly due to rounding.

Traffic operating characteristics of intersections are described by the concept of Level of Service (LOS). LOS is a qualitative description of an intersection's performance based on the average delay per vehicle. Intersection LOS ranges from A, which indicates free flow or excellent conditions with short delays, to F, which indicates congested or overloaded conditions with extremely long delays. LOS A, B, C, and D are considered excellent to satisfactory service levels by San Francisco transportation planners, while LOS E is undesirable and LOS F is unacceptable. An impact on a signalized intersection is considered significant when project-related traffic causes the intersection LOS to deteriorate from LOS D or better to LOS E or F, or from LOS E to F. A project may result in significant adverse impacts at intersections that operate under LOS E or F under existing conditions depending on the magnitude of the project's contribution to the average delay per vehicle. In addition, a project would have a significant adverse impact if it would cause major traffic hazards or contribute considerably to cumulative traffic increases that would cause deterioration in levels of service to unacceptable levels.

Table 3 presents the results of the intersection LOS analysis for the Existing (2000) and Existing Plus Project scenarios. Existing traffic conditions were evaluated for the weekday PM peak period (4:00 PM to 6:00 PM). All intersections evaluated operate at acceptable Levels of Service. The net new project trips were assigned to the roadway network using the "TRAFFIX" computer simulation software. Under the Existing Plus Project scenario, all intersections would continue to operate at acceptable levels. The increase in PM peak-hour person-trips would not cause an increase in traffic, which is substantial in relation to the existing traffic load and street system capacity, or interfere with existing transportation systems, causing substantial alterations to circulation patterns or major traffic hazards.

Table 3
Intersection Level of Service: Existing, Existing Plus Project, and
Future (Year 2020) Cumulative (Including Project) Weekday PM Peak Hour Conditions

| Intersection | Existing (2000) | | Existing Plus Project | | Future Cumulative | |
|-----------------------------------------------|---------------------------------|-------|---------------------------------|-------|---------------------------------|-------|
| | Delay ^a (sec/veh) | LOS | Delay ^a (sec/veh) | LOS | Delay ^a (sec/veh) | LOS |
| Montgomery Street / Market Street | 38.3 | D | 38.3 | D | 67.7 | F |
| First Street / Market Street | 26.1 | D | 26.3 | D | 62.1 | F |
| First Street / Mission Street | 27.4 | D | 27.1 | D | 112.5 | F |
| Second Street / Stevenson Street ^b | 4.8 / 0.6 | A / A | 5.0 / 0.7 | B / A | 5.0 / 0.7 | B / A |
| First Street / Stevenson Street ^b | 3.7 / 0.3 | A / A | 3.7 / 0.3 | A / A | 4.0 / 0.3 | A / A |

Source: CHS Consulting Group.

Notes: a - Delay values are not actually measured in the field, but are estimated based on calculations of existing traffic volumes.

b - Two-way stop controlled intersection LOS and delay presented for worst approach / intersection average.

The future cumulative intersection LOS conditions were calculated by adding the estimated future background traffic growth and proposed project traffic to the existing traffic volumes. As shown in Table 3, the intersections of Second / Stevenson Streets and First / Stevenson Streets would continue to operate at acceptable levels of service in the future cumulative scenario. At the intersections of Montgomery / Market Streets, First / Market Streets, and First / Mission Streets, significant cumulative traffic impacts would occur due to anticipated background traffic growth which would cause the LOS at these intersections to deteriorate to LOS F from LOS D for the year 2020. However, the proposed project's contribution to future traffic growth at the intersections of Montgomery / Market Streets and First / Market Streets would be less than three percent and less than one percent, respectively. At the intersection of Montgomery / Market Streets, the proposed project would not add any vehicles to the southbound through or right turn movements that determine overall LOS performance at this intersection. At the intersection of First / Market Streets, the southbound through and eastbound right turn movements determine the overall LOS performance. The proposed project would add two vehicles (a contribution of 0.2 percent) and zero vehicles, respectively, to these movements. At the intersection of First / Mission Streets, the southbound left and through movements and the eastbound right turn determine overall LOS performance. The proposed project would add zero vehicles to the southbound left and eastbound right turning movement volumes, and would reduce the number of vehicles in the southbound through movement by three vehicles. In each of these instances, the project's contributions would be small (less than one percent), zero, or negative. Therefore, project traffic would not be considered a considerable contribution to 2020 cumulative traffic conditions, and the project would not have a significant traffic impact.

Parking

Parking supply was evaluated by comparing supply to planning code requirements and project demand. Based on the *San Francisco Planning Code*, the proposed project would be required to provide 34 parking spaces for the new residential use at 575 Market Street. Planning Code Section 161(c) exempts the proposed project from off-street parking requirements for the retail and office uses, as it is within the C-3 District. The proposed project would provide 136 striped spaces and capacity for approximately 176

vehicles with valet operations in the 555 Market Street building; therefore the proposed project would exceed the Planning Code parking requirements and would require conditional use authorization for parking in excess of permitted accessory parking.

The existing parking demand for Market Center is 338 parking spaces and the supply is 33 striped spaces, 40 spaces with valet operations. The proposed project would generate a demand for approximately 480 parking spaces and would provide 176 spaces with valet operations. The proposed project's excess demand of 304 spaces would exceed the existing site excess demand of 298 spaces by 6 spaces. While there is an excess parking demand for the site, there are 19 parking facilities located within the study area which have an approximate total of 2,095 available public parking spaces, with an occupancy rate of 72.9 percent during a typical weekday period.

While the 176 off-street parking spaces, 136 striped spaces and 40 valet spaces, proposed would not accommodate all residents, employees, or visitors to the project site, the unmet parking demand would not in itself be considered a significant effect in the context of the San Francisco General Plan. The San Francisco General Plan policies emphasize the importance of public transit use and discourages the provision of facilities that encourage automobile use, to minimize environmental impacts of traffic congestion, noise, and air quality associated with unconstrained vehicle use. Therefore, the creation of or increase in parking demand resulting from a proposed project that cannot be met by existing or proposed parking facilities would not in itself be considered a significant environmental effect. Parking deficits are social effects, which do not necessarily constitute impacts on the physical environment as defined by CEQA. However, parking deficits may be associated with secondary physical environmental impacts, such as increased traffic congestion at intersections, air quality, or noise effects caused by congestion. Cars circling and looking for a parking space could have temporary physical impacts, but any secondary environmental impacts associated with a shortfall in parking in the vicinity of the proposed project would likely be minor and difficult to predict. Moreover, in the experience of the San Francisco transportation planners, the absence of a ready supply of parking spaces combined with readily available alternatives to auto travel (e.g., frequent transit service, taxis, bicycles, or travel by foot) and relatively dense patterns of urban development, may induce drivers to seek and find alternative parking facilities, shift to other modes of travel, or change their overall travel habits.

Loading

Loading impacts were assessed by comparing loading requirements to loading supply and loading demand to loading supply. There is currently one full-sized and one van-sized loading space at Market Center, both accessed from Stevenson Street. The Planning Code requirement for the existing uses would be seven loading spaces. Under Section 150(c), the existing deficit may be carried forward. The proposed project would provide five off-street loading spaces, three in the 575 Market Street building, and two in the 555 Market Street building, all accessed from Stevenson Street. The proposed project provides a net increase of three loading spaces from the existing conditions; it would reduce the deficit from five to two spaces.

While loading impacts are not considered to be significant, improvement measures have been incorporated into the project as Improvement Measure 1 (IM-1) to minimize non-significant impacts. In order to ensure the proposed loading spaces are available for trucks at all times, the project sponsor should commit to removing the bollards that currently prevent delivery trucks from entering and enable effective use of the loading bays, and ensure that no garbage containers nor passenger vehicles will be stored in the truck loading spaces.

Freight and service vehicle delivery and loading demand were calculated using the *SF Guidelines*. The proposed project would reduce the existing loading demand generated by Market Center, and provide for an increase in off-street loading spaces at the site. While the demand for off-street loading spaces would

exceed the supply, the combination of the reduced net new demand and increase in spaces should improve the overall loading conditions for the proposed project.

Transit

The impacts of the proposed project on transit service were determined by measuring level of service at the downtown screenlines (cordon lines drawn around the greater downtown area at maximum load points for purposes of analyzing MUNI ridership by corridor), and in terms of Transit Operator Level of Service (TOLOS). Regional TOLOS is considered acceptable so long as it is better than E, or generally when the peak hour load factor is 1 (most transit operators define load factor as a ratio of passengers to seats). All MUNI screenlines currently operate at better than E during the PM peak hour in the outbound direction. However, some lines are known to experience very crowded conditions during the evening commute period. All regional transit providers operate consistent with their service standards. BART tolerates a lot of standees; other regional operators do not.

It is estimated that the proposed project would reduce weekday PM peak hour transit trips by approximately 34 total trips, including inbound and outbound. The largest decrease would be for transit trips to the East Bay. The net reduction in outbound trips is 2 trips, and the remaining 32 trips are in the inbound direction. With the proposed project, the screenline capacity utilization does not materially change for either MUNI or regional transit service providers.

Pedestrians

During the weekday PM peak hour, the proposed project would generate 68 net new pedestrian trips (102 additional walk trips and 34 fewer transit trips). The pedestrians going to and from the project site would primarily use Market Street from the east and west, Second Street from the south, and Montgomery, Post, Sansome, and Sutter Streets from the north. These new trips would not substantially change the operations of nearby sidewalks or crosswalks. As part of the proposed project the open space at Market Center would be redesigned, providing pedestrian access to Stevenson Street and creating a more usable and accessible area.

Bicycles

The proposed project would not substantially change vehicle conditions and would therefore not have a significant adverse affect on bicycle conditions in the study area. Bicyclists would be expected to continue using the existing bike lanes and routes in the study area.

The *San Francisco Planning Code* requires any new commercial or industrial buildings or existing buildings undergoing major renovations to include bicycle parking spaces, showers and clothing lockers for bicyclists. The proposed project would provide 12 bicycle parking spaces, 4 showers and 8 lockers in the B2 level of the 555 Market Street building; therefore, it would meet the Planning Code requirement for the same number of facilities.

Construction Impacts

The total duration for construction of the proposed project is estimated to be approximately 18 months. During the 18 months of the construction of the proposed project, all materials and equipment would be staged and stored on-site. Potential short-term construction impacts could include additional traffic on nearby streets due to possible lane closures, construction truck traffic, a shortage of parking spaces due to construction workers' parking demand, sidewalk closures, and delayed MUNI bus operations due to lane closures.

The construction activities for the two buildings in the proposed project would be likely to occur simultaneously. Office tenants would remain in each of the two buildings during the construction period. Pedestrian access routes would be redirected from the existing elevated walkways in the open space between the two buildings to temporary covered walkways on the west side of 555 Market Street and the east side of 575 Market Street. A covered walkway would extend the width of the 575 Market Street building onto the sidewalk on Market Street and into the on-street loading parking lane on Stevenson Street. A construction fence would surround both buildings, extending approximately six feet into the existing sidewalk on Market and Stevenson Streets. No covered walkway would be provided on Stevenson Street along the frontage of the 555 Market Street building, as this part of the sidewalk would be closed for truck access to and from the site.

The primary truck access route to the project site would be via Stevenson Street. Some trucks may be required to use Market Street if the use of Stevenson Street is not feasible due to size limitations. The Project Sponsor would work with the Traffic and Engineering Division of the Department of Parking and Traffic (DPT) to ensure that any truck activity on Market Street is limited in duration and would not result in damage to either Market Street's granite curbs or brick sidewalks.

During the laying of the foundation, there would be up to 20 concrete trucks coming to the site per day, with approximately three or four trucks on-site at any given time for four months. These trucks would arrive at the site one or two at a time, pull into the project site, discharge their concrete, then pull out to allow for the next truck to access the site. The curb space on Stevenson Street to the rear of the project would be sufficient for several trucks. The waiting trucks would need to park at off-site locations to be determined by the contractor. Any temporary closure of parking spaces would be coordinated with DPT.

During project construction there would be a peak construction worker parking demand of up to 120 parking spaces. Workers' vehicles would have to be accommodated in adjacent off-street and curb side parking spaces unless the project sponsor arranges for off-street parking nearby. The displacement of parking spaces by construction trucks and construction workers' vehicles and the covered walkway on Stevenson Street would likely reduce the availability of on-street parking in vicinity of the proposed project. Those who would otherwise park in the displaced on-street spaces would be required to find parking elsewhere, either in off-street parking facilities or in other neighborhoods. While an inconvenience, this impact would be temporary and limited to discrete construction phases.

A heavily-utilized MUNI bus stop is located on Market Street in front of the project site. Adequate construction management measures would be included in the conditions of project approval (see Improvement Measure 2 [IM-2]) to avoid truck use of this bus stop. In the event that a bus stop would need to be temporarily relocated, the Project Sponsor would be required to contact the MUNI Chief Inspector for approval prior to the start of construction.

While truck movements and construction activities would be coordinated with DPT to avoid impeding traffic and transit vehicles on neighboring streets, particularly Market Street, First Street, and Second Street, especially during peak periods.

Construction impacts would be an inconvenience to drivers and transit users in the downtown area near the project site. However, this inconvenience would be temporary and typical for downtown construction projects. Impacts associated with construction activities are considered not significant because they are temporary and of short-term duration. However, while construction impacts are not considered to be significant, improvement measures have been incorporated into the project as Improvement Measures 2 and 3 (IM-2 and IM-3) to minimize non-significant impacts.

| 5) <u>Noise</u> . Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
|--------------------------------------------------------------------------|------------|-----------|------------------|
| (a) Increase substantially the ambient noise levels for adjoining areas? | — | <u>X</u> | <u>X</u> |
| (b) Violate Title 24 Noise Insulation Standards, if applicable? | — | <u>X</u> | — |
| (c) Be substantially impacted by existing noise levels? | — | <u>X</u> | — |

An approximate doubling of traffic volumes in the area would be necessary to produce an increase in ambient noise levels noticeable to most people. As discussed above, the project would not cause a doubling in traffic volumes and therefore would not cause a substantial increase in the ambient noise level in the project vicinity.

Construction activities are estimated to last approximately 18 months. During the construction period, temporary construction noise would be noticed by tenants of 555 Market Street and 575 Market Street as well as tenants in neighboring buildings. Construction noise is regulated by the San Francisco Noise Ordinance (Article 29 of the City Police Code). The ordinance requires that noise levels of construction equipment, other than impact tools, not exceed 80 decibels (dBA) at a distance of 100 feet from the source. (Decibels are the standard unit of amplitude, or loudness, measured on a logarithmic scale.) Impact tools (jackhammers and impact wrenches) must have both intake and exhaust muffled to the satisfaction of the Director of Public Works. Pile driving may be necessary during the construction of this project. Section 2908 of the Ordinance prohibits construction work between 8:00 PM and 7:00 AM if noise would exceed the ambient noise level by five dBA at the project property line, unless a special permit is authorized by the Director of Public Works.

Pile driving noise could be about 90 dBA during impact at about 100 feet from the site. Noise levels at receptors near the project site would depend on their distance from the source and on the presence or absence of noise barriers. The nearest sensitive receptors are located at 388 Market Street and 333 Bush Street. The noise of the pile driver would be most noticeable directly at and in front of the construction site. Vibrations from the pile driving could be felt at Market Center and in adjacent buildings. To mitigate any impacts associated with noise generated from pile driving, the project would be required to comply with regulations set forth in the San Francisco Noise Ordinance. Impact tools (jackhammers, pile drivers, impact wrenches) must have both intake and exhaust muffled to the satisfaction of the Director of Public Works. Section 2908 of the Ordinance prohibits construction work between 8:00 PM and 7:00 AM, if noise would exceed the ambient noise level by five dBA at the project property line, unless a special permit is authorized by the Director of Public Works.

Construction equipment noise and possibly vibrations could be considered an annoyance by occupants of nearby properties. The magnitude of the construction noise impact would depend on the type of construction activity, the sound level generated by the various pieces of equipment in operation, the duration of the construction noise, the distance between the noise source and receptor, and the presence or absence of noise barriers. On-site and off-site noise level increases due to construction and demolition activities would be temporary and intermittent and would occur at different times through the phases of construction. Given that construction activities would be temporary and would occur during the daytime, construction noise impacts on off-site receptors would be less than significant. Compliance with the San Francisco Noise Ordinance under Sections 2907, 2908, and 2909, as Statutory Measure 1 (SM-1 in the Statutory Measures section of this Initial Study) would help reduce project operation and construction noise impacts to a less-than-significant level.

Operational noise that might be generated from occupancy of the buildings (which would be similar to conditions with the existing buildings) would be controlled by the San Francisco Noise Ordinance;

consequently, the project would not substantially increase ambient noise levels above those in the area. In view of the above, the project would not have a significant noise impact. Compliance with the San Francisco Noise Ordinance under Sections 2907, 2908, and 2909, listed as Statutory Measure 1 (SM-1 in the Statutory Measures section of this Initial Study) would reduce project operation and construction noise impacts to a less-than-significant level.

| 6) <u>Air Quality/Climate</u> . Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|------------------|
| (a) Violate any ambient air quality standard or contribute substantially to an existing or projected air quality violation? | — | <u>X</u> | <u>X</u> |
| (b) Expose sensitive receptors to substantial pollutant concentrations? | — | <u>X</u> | <u>X</u> |
| (c) Permeate its vicinity with objectionable odors? | — | <u>X</u> | <u>X</u> |
| (d) Alter wind, moisture or temperature (including sun shading effects) so as to substantially affect public areas, or change the climate either in the community or region? | — | <u>X</u> | <u>X</u> |

Air Quality

Project construction activity would temporarily raise dust levels in the area, but not to a level that would have significant impacts upon air quality. The Bay Area Air Quality Management District (BAAQMD) has identified a set of feasible control measures for construction activities which the project sponsor has agreed to implement. They would include wetting down the site twice daily; covering soil, sand, and other materials; and daily street sweeping around the demolition and construction site. These control measures are identified in Mitigation Measure 1 (MM-1) on page 34, which would reduce construction air quality impacts to a level of insignificance.

BAAQMD has established thresholds for projects requiring its review for potential air quality impacts. These thresholds are based on the minimum size projects which the District considers capable of producing air quality problems due to vehicular emissions. For office projects, the minimum size is 280,000 square feet, and for residential projects the minimum size is for 320 single-family dwelling units or 510 apartment dwelling units. Since the project would reduce office use on the site and provide 134 residential units, no significant air quality impacts due to vehicular emissions would be generated by the proposed project.

The proposed project includes residential uses which are considered sensitive receptors; however, the other uses proposed for this project, including office, retail, and parking, would not contain uses or activities that could expose such receptors to pollutants or objectionable odors.

555 Market Street had four or five underground storage tanks (USTs) installed during its construction in 1965. It is likely that all have been removed or abandoned, therefore it is unlikely that they could pose a threat to human health of the environment. This is discussed in greater detail in the Hazards section of this Initial Study. As per Statutory Measure 2 (SM-2), the BAAQMD would be notified before UST removal and/or excavation of contaminated soils.

Wind

A Certified Meteorologist reviewed the potential wind effects of the proposed Market Center renovation in June, 2002.³ For sites in the C-3 District, Section 148 of the *San Francisco Planning Code* establishes comfort criteria of 11 miles per hour (mph) equivalent wind speed for pedestrians and 7 mph for seating areas, not to be exceeded more than 10 percent of the time, year round, between 7:00 AM and 6:00 PM. Winds of 26 mph or greater are considered hazardous. Large structures can affect street-level wind conditions. Such effects can occur when a new large building mass extends above its neighbors, or contributes to the creation of a large wall facing into prevailing winds. Prevailing winds in the downtown area are from the west. The project would add approximately 6,320 gsf on floors 6-21 of 555 Market Center on the south side of the building, extending up from the top of the low-rise roof deck. This modification would widen and extend out the Stevenson Street façade of the building. This building face is the down wind side relative to prevailing wind directions. The most important face of the building with regard to wind effects is the Market Street façade, which would be unchanged by the project. Therefore, any wind changes resulting from the proposed project would be limited to the top of the low-rise deck, and the additions to 555 Market Street would not cause significant changes to the wind environment in pedestrian areas adjacent to or near the site. The project would not require further review under Planning Code Section 148, Reduction of Ground-Level Wind Currents in C-3 Districts.

Shadow

Section 295 of the Planning Code was adopted in response to Proposition K (passed November 1984) in order to protect certain public open spaces from shadows cast by new structures during the period between one hour after sunrise and one hour before sunset, year-round. Section 295 restricts new shadow upon public spaces under the jurisdiction of the Recreation and Park Department by any structure exceeding 40 feet unless the Planning Commission, in consultation with the Recreation and Park Commission, finds the impact to be insignificant. The proposed addition to 555 Market Street would reach a height of up to 300 feet, and would not exceed the existing height of the structure. To determine whether this project would conform with Section 295, a shadow fan analysis was prepared by the Planning Department. This analysis determined that the changes in floor size at 555 Market Street would not shade public areas subject to Section 295 (a copy of the shadow fan analysis is available for review at the Planning Department, 1660 Mission Street, San Francisco). At most times of day and year, the project would cast shadows to the west and would not substantially contribute to any existing shadow cast on the plaza between 555 Market Street and 575 Market Street and the plaza at 525 Market Street. Neither plaza is under the jurisdiction of the Recreation and Park Department and as such are not subject to Proposition K.

| 7) <u>Utilities/Public Services.</u> Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
|----------------------------------------------------------------------------------------------------|------------|-----------|------------------|
| (a) Breach published national, state or local standards relating to solid waste or litter control? | — | <u>X</u> | <u>X</u> |
| (b) Extend a sewer trunk line with capacity to serve new development? | — | <u>X</u> | — |
| (c) Substantially increase demand for schools, recreation or other public facilities? | — | <u>X</u> | — |
| (d) Require major expansion of power, water, or communications facilities? | — | <u>X</u> | <u>X</u> |

³ Donald Ballanti, Certified Meteorologist. *Memorandum to Michael Rice, EIP Associates. Subject: Wind Impact Evaluation for the Proposed Market Center Renovation, San Francisco.* June 17, 2002.

Solid waste generated at the project site would be disposed of at the Altamont landfill, which accepts all solid waste from the City and County of San Francisco. Expansion plans for the landfill have been approved, and it will be able to accommodate San Francisco's solid waste stream well into the future. The amount of solid waste generated by the proposed project would not measurably affect the foreseeable life of the landfill.

The site is served by San Francisco's combined sewer system, which handles both sewage and storm water runoff. Wastewater treatment is provided by the Southeast Water Pollution Control Plant. The project would meet any wastewater pretreatment requirements of the San Francisco Public Utilities Commission, as required by the San Francisco Industrial Waste Ordinance. No new sewer construction would be needed because the project site is already served by sewer infrastructure. The project would have little effect on the total wastewater volume discharged through the combined sewer system, as 134 residential units would be added to the site while 159,715 gsf of office use would be removed.

Residential use has a water demand factor of approximately 187.5 gallons per dwelling unit⁴; the increase in daily water demand as a result of the 134 dwelling units would be approximately 25,125 gallons per day. Office use has a water demand factor of approximately 0.09 gallons per square foot per day⁵; the decrease in daily water demand as a result of the decrease in 159,715 gsf of office space would be 14,375 gallons per day. Thus, net water demand for the site would increase by approximately 10,750 gallons per day. This incremental increase in water and wastewater flows would not exceed amounts expected and provided for by the City water system. As part of the redesign of the 10,000 sf plaza, the amount of impervious surface may change on the site as a greater amount of landscaping or hardscaping than what currently exists may be proposed, but this change would not be substantial.

The project site presently receives police and fire protection services, and the project would create little additional demand for fire and police services in the area. Although the project could increase the number of calls received from the area, or the level of regulatory oversight that must be provided as a result of the addition of residential uses on the site, the increase in responsibility would not be substantial in light of the existing demand for police and fire services in the Downtown area. The fire sprinkler systems would be reconfigured to accommodate the residential use and the modified office use. The project would not create a substantial demand for fire and police services in the area or require the construction of new police and fire prevention facilities.

The project site is already served by power and communication facilities, which would be available for the new residences. While residential use has a smaller energy demand factor than office use, there would be a small increase in energy demand for the project due to the greater addition of residential use than decrease in office use. This increase in energy demand would not exceed amounts expected and provided for in the area. No new power or communications facilities would be necessary as a result of project implementation and the project would not cause substantial additional demand for power or communications facilities.

| 8) <u>Biology</u> . Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
|---------------------------------------------------------------------------------------------------------|------------|-----------|------------------|
| (a) Substantially affect a rare or endangered species of animal or plant or the habitat of the species? | — | <u>X</u> | <u>X</u> |

⁴ City and County of San Francisco Planning Department and San Francisco Redevelopment Agency. *Mission Bay Subsequent Environmental Impact Report*. Table L.3, Mission Bay Project Total Daily Water Demand and Wastewater Generation At Build-out (2015), Mission Bay North and South. May 12, 1998.

⁵ Presidio Trust. *Presidio Trust Implementation Plan Draft Environmental Impact Statement*. Water Demand Appendix Table 1: Water Demand Calculations. July 2001.

| 8) <u>Biology.</u> Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|------------------|
| (b) Substantially diminish habitat for fish, wildlife or plants, or interfere substantially with the movement of any resident or migratory fish or wildlife species? | — | <u>X</u> | <u>X</u> |
| (c) Require removal of substantial numbers of mature, scenic trees? | — | <u>X</u> | <u>X</u> |

There are four ficus (*Ficus microcarpa*) street trees, approximately 7 to 11 inches in diameter, on the south side of the plaza on Stevenson Street. These trees may be removed as part of the redesign of the plaza and/or to accommodate construction of the proposed project. New landscaping would be installed as part of the proposed project.

No known, rare, threatened or endangered species are known to exist in the vicinity. The proposed project is in a developed urban area and is covered by structures, impervious surfaces and landscaping. Reuse and modifications to the site, and redesign of the plaza would not affect, or substantially diminish, plant or animal habitats. The project would not interfere with any resident or migratory species. The redesign of the plaza would include plants and street trees appropriate for the urban landscape of the project site.

| 9) <u>Geology, Topography and Water.</u> Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
|---------------------------------------------------------------------------------------------------------------------|------------|-----------|------------------|
| (a) Expose people or structures to major geologic hazards (slides, subsidence, erosion and liquefaction)? | — | <u>X</u> | <u>X</u> |
| (b) Change substantially the topography or any unique geologic or physical features of the site? | — | <u>X</u> | — |
| (c) Substantially degrade water quality, or contaminate a public water supply? | — | <u>X</u> | <u>X</u> |
| (d) Substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge? | — | <u>X</u> | <u>X</u> |
| (e) Cause substantial flooding, erosion or siltation? | — | <u>X</u> | <u>X</u> |

Geologic Hazards

The Community Safety Element of the San Francisco General Plan contains maps that show areas subject to geologic hazards. The project site is located in an area that would be subject to “non-structural to moderate” damage (Modified Mercalli Intensity VII to VIII) from seismic groundshaking originated by a characteristic earthquake (Moment Magnitude 7.1) along the San Andreas fault, approximately 6 miles southwest of San Francisco, and the Northern Hayward fault, approximately 12 miles northeast of San Francisco (Maps 2 and 3 in the Community Safety Element). The project site also is in an area of liquefaction potential (Map 4 in the Community Safety Element), a Seismic Hazards Study Zone designated by the California Division of Mines and Geology. The project site is not in an area subject to landslide, seiche or tsunami run-up, or reservoir inundation hazards (Maps 5, 6 and 7 in the Community Safety Element), or in an Alquist-Priolo Earthquake Fault Zone.

In its review of the building permit application for a development proposal in an area of liquefaction potential, the Department of Building Inspection would require the project sponsor to prepare geotechnical reports to assess the nature and severity of the hazards at the site and to recommend project design and construction features that would reduce those hazards (see Statutory Measure 3 [SM-3]). One or more geotechnical investigations by a California-licensed geotechnical engineer would be included as

part of the project. The project sponsor and its contractors would follow the recommendations of the final geotechnical report regarding construction of the additions to 555 Market Street. To ensure compliance with all current San Francisco Building Code provisions regarding structural safety, the Department of Building Inspection would review the geotechnical report and building plans for the proposed project, and determine the necessary engineering and design features to reduce potential damage to structures caused by groundshaking and liquefaction. In this way, amelioration of potential damage to structures from geologic hazards at the project site would be ensured through the Department of Building Inspection requirement for a geotechnical report and review of the building permit application.

A Phase I Environmental Site History Assessment/Phase II Limited Sampling completed in 1999 by Ecology and Environment, Inc. for the site indicates that the site structures sit on consolidated near-shore deposits (mainly sands), and are not built on artificial fill.⁶ Groundwater beneath the site is probably within 10 feet of the surface, although there are no monitoring wells on the property. As part of the proposed project an additional tunnel would be constructed at the same depth as the B1 Level (approximately 13.5 feet), and would require approximately 2,015 cubic yards of excavation. Because of the shallow nature of the water table, it is likely that the tunnel excavation would need dewatering. The proposed project includes Mitigation Measure 2 (MM-2, see page 34) to reduce the potential settlement effects of dewatering on nearby streets and properties.

The proposed project would not alter the topography of the site, or otherwise affect any unique geologic or physical features of the site.

Water Quality

The project would not substantially degrade water quality or contaminate a public water supply. All sanitary wastewater from the proposed buildings and stormwater runoff from the project site would be collected and treated at the Southeast Water Pollution Control Plant prior to discharge to San Francisco Bay. Treatment would be provided pursuant to the effluent discharge limitations set by the plant's National Pollutant Discharge Elimination System (NPDES) permit.

The project would include excavation to a depth of about 13.5 feet for the construction of a new B1 Level tunnel extension between 555 and 575 Market Street, for which dewatering could be required. Any groundwater encountered during construction would be subject to the San Francisco Industrial Waste Ordinance (Ordinance No. 199-77), which requires that groundwater meet specified standards before being discharged into the sewer system. The Bureau of Environmental Regulation and Management of the San Francisco Public Utilities Commission would be notified if the project were to require dewatering. The project would include Statutory Measure 4 (SM-4) to reduce the potential water quality effects of dewatering.

The project site is almost entirely paved or covered by structures; therefore, the project would not substantially affect the area of impervious surface at the site or alter site drainage. Project-related wastewater and storm water would continue to flow to the combined sewer system. During construction, requirements to reduce erosion would be implemented pursuant to California Building Code Chapter 33, Excavation and Grading. During operations, the project would comply with all local wastewater discharge requirements. The proposed project includes a mitigation measure to reduce the potential water quality effect of sedimentation (see MM-2, page 34).

⁶ Ecology and Environment, Inc. *Phase I Environmental Site Historical Assessment/Phase II Limited Sampling, 555 and 575 Market Street, Chevron U.S.A., Inc. Final. Contract No. 99003323.* June 1999. The report is available for public review by appointment at the Planning Department, 1660 Mission Street.

| | | | |
|---------------------------------------------------------------------------------------------------------------------------------|------------|-----------|------------------|
| 10) <u>Energy/Natural Resources</u> . Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
| (a) Encourage activities which result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner? | — | <u>X</u> | <u>X</u> |
| (b) Have a substantial effect on the potential use, extraction, or depletion of a natural resource? | — | <u>X</u> | — |

State Title 24 energy-efficiency standards and the Uniform Building Code require the design of the addition and any modifications to the structures to be energy-conserving. Before issuance of a building permit for the project, the City and County of San Francisco Department of Building Inspection and the City's Department of Public Works would review the design of the proposed project for compliance with those standards. The proposed project would meet current state and local codes concerning energy consumption. Therefore, a significant adverse energy environmental impact is not anticipated.

The project would include the addition of 134 residential units on the site and a decrease in 159,715 gsf of office use on the site. This could result in more energy use overall at the site, but not substantially greater than current conditions, and not great in the context of the City, or regionally. Thus, the energy impacts of the proposed project would be less than significant.

| | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|------------------|
| 11) <u>Hazards</u> . Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
| (a) Create a potential public health hazard or involve the use, production or disposal of materials which pose a hazard to people or animal or plant populations in the area affected? | — | <u>X</u> | <u>X</u> |
| (b) Interfere with emergency response plans or emergency evacuation plans? | — | <u>X</u> | — |
| (c) Create a potentially substantial fire hazard? | — | <u>X</u> | <u>X</u> |

Site Assessment

A Phase I Preliminary Environmental Site History Assessment (ESA)/Phase II Limited Sampling of the project site was conducted by an independent consultant, Ecology and Environment, Inc.⁷ The Phase I ESA was conducted to identify possible environmental concerns related to on-site or nearby chemical use, storage, handling, spillage, and/or on-site disposal, with particular focus on potential degradation of soil and groundwater quality. A chemical inventory provided by the Chevron Real Estate Management Company as part of the Phase I ESA lists over 300 products stored and used at the two buildings. Most of the products are used for office supply, motor pool, and janitorial uses, and many are not considered hazardous. Hazardous products used or stored on the property include a variety of common flammable and/or toxic materials. There are a variety of standard wastes generated at the property that require disposal and/or recycling, mainly by outside contractors.

555 Market Street had four or five underground storage tanks (USTs) installed during its construction in 1965. One was removed in 1998 and one was abandoned in place in 1987, both approved by the City of San Francisco. Information on the other tanks is not definitive; there is no written documentation on their removal, but interviews with Chevron employees indicate that two USTs were removed from that location in the mid-1970s when 575 Market was completed and that all associated pumps and piping were removed from the garage and basement at that time. Assuming that two or three USTs were removed in the mid-1970's, it is unlikely that they could pose a threat to human health or the environment. Statutory

⁷ Ibid.

Measures 2 and 5 (SM-2 and SM-5) address the regulation of the removal and installation of USTs by the BAAQMD and the San Francisco Department of Public Health, and would be implemented by the project sponsor.

There are five aboveground storage tanks (ASTs) that store diesel fuel for backup generators and fire water pumps at the site. All the ASTs are constructed within secondary containment or are double walled.

Due to previous uses on the site and the proposed approximately 2,015 cubic yards of excavation for the B1 Level connection between structures, as per Mitigation Measure 4 (MM-4; see page 35), prior to disturbing the soils on the project site, the project sponsor shall conduct soil sampling. If soil samples indicate contamination with petroleum, Statutory Measure 6 (SM-6) requires the project sponsor to prepare a Corrective Action Plan, and Statutory Measure 7 (SM-7) requires the preparation of a Site Mitigation Plan as appropriate.

Asbestos

The Phase I ESA did not contain a survey for asbestos-containing materials (ACM); however information reviewed as part of the Phase I ESA indicated that both buildings have previously been surveyed for asbestos, and asbestos abatement projects have been performed in select portions of each building. 555 Market Street contains friable ACMs in fire proofing and pipe insulation. 575 Market Street contains non-friable ACMs in the drywall joint compound. The ACMs in both buildings are generally in good condition. Project activities at both buildings could affect areas that still contain ACMs. Section 19827.5 of the California Health and Safety Code, adopted January 1, 1991, requires that local agencies not issue demolition or alteration permits until an applicant has demonstrated compliance with notification requirements under applicable Federal regulations regarding hazardous air pollutants, including asbestos. The Bay Area Air Quality Management District (BAAQMD) is vested by the California legislature with authority to regulate airborne pollutants, including asbestos, through both inspection and law enforcement, and is to be notified ten days in advance of any proposed demolition or abatement work.

Notification includes the names and addresses of operations and persons responsible; description and location of the structure to be demolished/alterd including size, age and prior use, and the approximate amount of friable asbestos; scheduled starting and completion dates of demolition or abatement; nature of planned work and methods to be employed; procedures to be employed to meet BAAQMD requirements; and the name and location of the waste disposal site to be used. The District randomly inspects asbestos removal operations. In addition, the District will inspect any removal operation for which a complaint has been received.

The local office of the State Occupational Safety and Health Administration (OSHA) must be notified of asbestos abatement to be carried out. Asbestos abatement contractors must follow state regulations contained in 8CCR1529 and 8CCR341.6 through 341.14 where there is asbestos-related work involving 100 square feet or more of asbestos-containing material. Asbestos removal contractors must be certified as such by the Contractors Licensing Board of the State of California. The owner of the property where abatement is to occur must have a Hazardous Waste Generator Number assigned by and registered with the Office of the California Department of Health Services in Sacramento. The contractor and hauler of the material is required to file a Hazardous Waste Manifest which details the hauling of the material from the site and the disposal of it. Pursuant to California law, the Department of Building Inspection (DBI) would not issue the required permit until the applicant has complied with the notice requirements described above.

Implementation of these regulations and procedures, already established as a part of the permit review process, constitute Statutory Measure 8 (SM-8) and would reduce any potential impacts due to asbestos during demolition and construction to a level that is less than significant.

Lead-Based Paint

The Phase I ESA reported that a prior survey found that lead-based paint was above regulatory limits in mechanical rooms of 555 Market Street. Access to these areas is restricted to maintenance or contractor personnel only. During the Phase I ESA (which did not include an additional lead-based paint survey), no obvious friable, powdered, or finely divided paint was observed on the interior of the building. However, the possibility remains that lead-based paint may be present in the building. The proposed project must comply with Chapter 36 of the San Francisco Building Code, Work Practices for Exterior Lead-Based Paint. Chapter 36 applies to buildings or steel structures on which original construction was completed prior to 1979 (these structures are assumed to have lead-based paint on their surfaces), where more than ten total square feet of lead-based paint would be disturbed or removed. The ordinance contains performance standards, including establishment of containment barriers, at least as effective at protecting human health and the environment as those in the Department of Housing and Urban Development (HUD) Guidelines (the most recent Guidelines for Evaluation and Control of Lead-Based Paint Hazards), and identifies prohibited practices that may not be used in disturbance or removal of lead-based paint. Any person performing work subject to the ordinance shall make all reasonable efforts to prevent migration of lead paint contaminants beyond containment barriers during the course of the work, and any person performing regulated work shall make all reasonable efforts to remove all visible lead paint contaminants from all regulated areas of the property prior to completion of the work.

The ordinance also includes notification requirements, contents of notice, and requirements for signs. Notification includes notifying bidders for the work of any paint inspection reports verifying the presence or absence of lead-based paint in the regulated area of the proposed project. Prior to commencement of work, the responsible party must provide written notice to the Director of the Department of Building Inspection of the location of the project; the nature and approximate square footage of the painted surface being disturbed and/or removed; anticipated job start and completion dates for the work; whether the responsible party has reason to know or presume that lead-based paint is present; whether the building is residential or nonresidential, owner-occupied or rental property, approximate number of dwelling units, if any; the dates by which the responsible party has or will fulfill any tenant or adjacent property notification requirements; and the name, address, telephone number, and pager number of the party who will perform the work. (Further notice requirements include Sign When Containment is Required, Notice by Landlord, Required Notice to Tenants, Availability of Pamphlet related to protection from lead in the home, Notice by Contractor, Early Commencement of Work [by Owner, Requested by Tenant], and Notice of Lead-Contaminated Dust or Soil, if applicable.) The ordinance contains provisions regarding inspection and sampling for compliance by DBI, and enforcement, and describes penalties for non-compliance with the requirements of the ordinance.

These regulations and procedures established by the San Francisco Building Code constitute Statutory Measure 9 (SM-9) and would reduce any potential impacts associated with lead-based paint disturbance during demolition and construction to a level that is less than significant.

Fire Hazard

The San Francisco General Plan Community Safety Element discusses the threat that highly flammable materials pose during an earthquake disaster due to accidental rupture and release. It is not definitively known if the site still contains any underground storage tanks. The City responds to this hazard with a requirement for filing a Facility Emergency Plan with the Fire Department and filing a Hazardous Materials Plan with the Department of Public Health (DPH) pursuant to Article 80 of the Fire Code (see

Statutory Measure 10 [SM-10]). The requirements would apply to Market Center currently, and to the proposed project. Given these statutory measures, the project impact associated with fire hazards are considered to be less than significant.

| 12) <u>Cultural Resources</u> . Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|------------------|
| (a) Disrupt or adversely affect a prehistoric or historic archaeological site or a property of historic or cultural significance to a community or ethnic or social group; or a paleontological site except as a part of a scientific study? | — | <u>X</u> | <u>X</u> |
| (b) Conflict with established recreational, educational, religious or scientific uses of the area? | — | <u>X</u> | — |
| (c) Conflict with the preservation of buildings subject to the provisions of Article 10 or Article 11 of the City Planning Code? | — | <u>X</u> | <u>X</u> |

Excavation would be required to construct a new tunnel, a B1 Level extension, between 555 Market Street and 575 Market Street. A new connection would be at the same depth as the B1 Level (13.5 feet) and would result in approximately 2,015 cubic yards of excavation. It is assumed that much if not all of this area was disturbed for the trenching of the existing tunnel and the construction of Levels B1 and B2 of Market Center. An archival cultural resources evaluation was not completed for the site. However, in 1999, Archeo-Tec, Inc. completed such an evaluation for a proposed development at First and Howard, two blocks south of the project site.⁸ As concluded for the project at First and Howard, this area should be considered as a zone of potential sensitivity with respect to the possible existence of significant prehistoric/ protohistoric subsurface cultural resources because a significant prehistoric archaeological deposit, previously unrecorded, was recovered in 1986 within one block of the project site at the southwest corner of Stevenson and Ecker Street. This discovery was made at a site with a similar natural environmental setting as the proposed project site.

Prior to the Gold Rush era, there is no historical record of settlement or occupation in the project vicinity and records indicate that the area remained in its natural state. As a result, historic cultural resources from the Spanish/Mexican and Early American era (1776-1848) would not likely be encountered in the project vicinity.

The borders of Happy Valley, a Gold Rush era community, were nearby at approximately the intersection of First and Howard Streets; therefore, the project site may be a sensitive area for remains from the Gold Rush era, encountered as deeply buried deposits. Such remains have been uncovered near the project site, near the northwest corner of First Street and Minna Street. Historical sources do not indicate past or recent evidence of Gold Rush-era ship hulks or related maritime cultural resources in the project vicinity. The potential for the discovery of archaeological remains of the Late 19th Century era is low because the project area was consumed by the earthquake and fire of 1906.

As stated previously, the proposed project would include excavating the project site to construct a new B1 Level extension tunnel between the structures. This work could disrupt or adversely affect prehistoric resources or historic archaeological resources from the Gold Rush era. For this reason, the project sponsor has agreed to implement Mitigation Measure 3 (MM-3; see page 34) to avoid construction-related impacts to historically significant cultural resources.

⁸ Archeo-Tec, Inc. *Archival Cultural Resources Evaluation of the Proposed First and Howard Development Project*. City and County of San Francisco, California. January 1999. (San Francisco Planning Department 98.902E)

Historic Architectural Resources

The 555 Market Street structure was built in 1964 and the 575 Market Street structure was built in 1975 for Standard Oil of California (Standard Oil of California changed its name to the Chevron Corporation in 1984). The building at 555 Market Street has an "AS" rating of 3. This rating comes from an inventory of buildings throughout the City that were surveyed between 1974 and 1976 as part of a City sponsored inventory of architecturally significant buildings. The inventory assessed the architectural significance of about 10,000 structures from the standpoint of overall design and particular design features. Each building was numerically rated according to its overall architectural significance. A rating on this survey with no other supporting evidence does not indicate historical architectural significance.

The 555 and 575 Market Street buildings are not listed under Article 10 of the City Planning Code, which concerns sites such as designated City Landmarks and buildings within Historic Districts, or Article 11 of the City Planning Code, which involves rated buildings for their architectural significance. Neither building is listed in the National Register of Historic Places or the California Register of Historic Resources. Consultation with the Department's Historic Preservation staff found no additional information to suggest that the structure would qualify as an Historic Resource for purposes of CEQA. Therefore, alteration of the existing buildings on the project site would not be considered a significant effect.

| C. OTHER. Could the project: | <u>Yes</u> | <u>No</u> | <u>Discussed</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|------------------|
| Require approval and/or permits from City Departments other than Department of City Planning or Bureau of Building Inspection, or from Regional, State or Federal Agencies? | <u>—</u> | <u>X</u> | <u>X</u> |

Approvals

The project sponsor would be required to secure permits from the following City Departments prior to project approval:

1. Section 309 review from the Planning Commission, including exceptions to rear yard setbacks and bulk requirements.
2. Conditional use authorization from the Planning Commission for providing parking in excess of accessory amounts permitted by the Planning Code.

Neighborhood Notice

A Notification of Project Receiving Environmental Review was mailed on June 27, 2002 to the owners and occupants of properties adjacent to the project site. No comments were received.

| D. MITIGATION MEASURES | <u>Yes</u> | <u>No</u> | <u>N/A</u> | <u>Discussed</u> |
|-------------------------------------------------------------------------------------------------------|------------|-----------|------------|------------------|
| 1) Could the project have significant effects if mitigation measures are not included in the project? | <u>X</u> | <u>—</u> | <u>—</u> | <u>X</u> |
| 2) Are all mitigation measures necessary to eliminate significant effects included in the project? | <u>X</u> | <u>—</u> | <u>—</u> | <u>X</u> |

Each of the following mitigation measures, which have been agreed to by the project sponsor, are necessary to avoid potential significant effects of the project:

MM-1. Construction Air Quality

The project sponsor would require the contractor(s) to spray the site with water during demolition, excavation, and construction activities; spray unpaved construction areas with water at least twice per day; cover stockpiles of soil, sand, and other material; cover trucks hauling debris, soils, sand or other such material; and sweep surrounding streets during demolition, excavation, and construction at least once per day to reduce particulate emissions. Ordinance 175-91, passed by the Board of Supervisors on May 6, 1991, requires that non-potable water be used for dust control activities. Therefore, the project sponsor would require that the contractor(s) obtain reclaimed water from the Clean Water Program for this purpose. The project sponsors would require the project contractor(s) to maintain and operate construction equipment so as to minimize exhaust emissions of particulates and other pollutants, by such means as a prohibition on idling motors when equipment is not in use or when trucks are waiting in queues, and implementation of specific maintenance programs to reduce emissions for equipment that would be in frequent use for much of the construction period.

MM-2. Settlement Impacts of Dewatering

If dewatering is determined to be necessary, the final soils report would address the potential settlement and subsidence impacts of this dewatering. Based on this discussion, the soils report would determine whether or not a lateral movement and settlement survey should be done to monitor any movement or settlement of surrounding buildings and adjacent streets. If a monitoring survey were recommended, the Department of Building Inspection would require that a Special Inspector (as defined in Article 3 of the Building Code) be retained by the project sponsor to perform this monitoring. Instruments would be used to monitor potential settlement and subsidence. If, in the judgment of the Special Inspector, unacceptable movement were to occur during construction, groundwater recharge would be used to halt this settlement. The project sponsor would delay construction if necessary. Costs for the survey and any necessary repairs to service lines under the street would be born by the project sponsor.

The project sponsor and its contractor would follow the geotechnical engineers' recommendations regarding dewatering to avoid settlement of adjacent streets, utilities, and buildings that could potentially occur as a result of dewatering.

MM-3. Cultural Resources

The project sponsor shall distribute the attached "ALERT SHEET" to the project prime contractor; to any project subcontractor (including demolition, excavation, grading, foundation, pile driving, etc. firms); or utilities firm involved in soils disturbing activities within the project site. Prior to any soils disturbing activities being undertaken each contractor is responsible for ensuring that the ALERT SHEET is circulated to all field personnel including, machine operators, field crew, pile drivers, supervisory personnel, etc. The Head Forman or other responsible party shall provide the Environmental Review Officer (ERO) with a signed affidavit to the ERO confirming that all field personnel have received copies of the Alert Sheet.

Should any indication of an archeological resource be encountered during any soils disturbing activity of the project, the project Head Forman and/or project sponsor shall immediately notify the ERO and shall immediately suspend any soils disturbing activities in the vicinity of the discovery until the ERO has determined what additional measures, if any, should be undertaken.

If the ERO determines that an archeological resource may be present within the project site, the project sponsor shall retain the services of a qualified archeological consultant. The archeological consultant shall advise the ERO as to whether the discovery is an archeological resource, retains sufficient integrity, and is

of potential scientific/historical/cultural significance. If an archeological resource is present, the archeological consultant shall identify and evaluate the archeological resource. The archeological consultant shall make a recommendation as to what action, if any, is warranted. Based on this information, the ERO may require, if warranted, specific additional measures to be implemented by the project sponsor.

Measures might include: preservation in situ of the archeological resource; an archaeological monitoring program; or an archeological testing program. If an archeological monitoring program or archeological testing program is required, it shall be consistent with the Major Environmental Analysis (MEA) division guidelines for such programs. Archeological monitoring and/or data recovery programs required by this measure could suspend project construction activities for up to a maximum of four weeks. At the direction of the ERO, the suspension of project activities can be extended beyond four weeks only if such a suspension is necessary and is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c). The ERO may also require that the project sponsor immediately implement a site security program if the archeological resource is at risk from vandalism, looting, or other damaging activities.

The project archeological consultant shall prepare a Final Archeological Resources Report (FARR) evaluating the historical importance of the archeological resource and describing the archeological and historical research methods employed in the archeological monitoring/data recovery program(s). Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.

Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (1 copy) and the President of the Landmarks Preservation Advisory Board (1 copy). The Major Environmental Analysis division of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.

MM-4. Testing for Contaminated Soil and Groundwater

If the project were to include excavation for the service tunnel, prior to disturbing soils on the project site, the project sponsor shall implement the following measures:

a. Soil and groundwater testing

A Phase II Environmental Site Assessment of the project site shall be conducted to ensure that all areas of suspected subsurface contamination subject to ground disturbance during site development activities are sampled. These studies shall be completed by a Registered Environmental Assessor (REA) or similarly qualified individual. Testing results are reported to the San Francisco Department of Public Health (SFDPH), which would require further characterization of any hazards associated with petroleum hydrocarbons from the site fill materials. Should contamination at or above potentially hazardous levels be found, the following actions shall be taken:

b. Site Mitigation Plan (SMP) and Corrective Action Plan (CAP)

If the sampling conducted identifies surface and/or subsurface contamination in areas subject to ground disturbance, an SMP shall be prepared, per the determination of SFDPH, noted in SM-7;

(see the Statutory Measures section of this Initial Study). Where toxics are found for which no standards are established, the sponsor would request a determination from state and federal agencies as to whether an SMP is needed. The sponsor would be required to submit the SMP to the appropriate state or federal agency(ies), and to implement an approved SMP prior to issuance of any building permit.

Should groundwater be found to have been contaminated, or where petroleum contamination in soils has the potential to impact groundwater at levels above regulatory thresholds, a Corrective Action Plan (CAP) would be required by RWQCB, noted in SM-6 (see the Statutory Measures section of this Initial Study).

c. Remediation

Prior to conducting any remediation activities a Site Health and Safety Plan would be prepared pursuant to the California Division of Occupational Health and Safety (Cal-OSHA) requirements and National Institute for Occupational Safety and Health guidance to ensure worker safety. Under Cal-OSHA requirements, the Site Health and Safety Plan would need to be prepared prior to initiating any earth-moving activities at the site.

The site shall be remediated in accordance with the standards, regulations, and determinations of local, state, and federal regulatory agencies. The project sponsor shall coordinate with the DPH and any other applicable regulatory agencies to adopt contaminant-specific remediation target levels. Should contaminants at potentially hazardous levels be found, the hazardous substances shall be removed and disposed of at an approved site, or other appropriate actions shall be taken. In addition, installation of several groundwater monitoring wells may be required to confirm contaminant concentrations and groundwater flow direction.

Several possible remediation scenarios are: 1) natural attenuation (impacted soil and groundwater is allowed to remain in place and degrade naturally over time); 2) excavation and removal of impacted soil to the extent feasible and backfill with clean soil; 3) introduction of an oxygen release compound into the soil and groundwater at the release site to stimulate biodegradation of the petroleum hydrocarbons; and 4) some form of active groundwater treatment, such as air sparging or extraction and treatment. Remedial actions associated with the soil and groundwater at the project site, if required by DPH, shall be performed concurrently or shortly following demolition.

d. Handling, hauling, and disposal of contaminated soils

d.1. Dust suppression

Soils exposed during excavation for site preparation and project construction activities shall be kept moist, or as otherwise directed by DPH to minimize particulates, throughout the time they are exposed, both during and after work hours.

d.2. Surface water runoff control

Where soils are stockpiled, plastic sheeting shall be used to create an impermeable liner, both beneath and on top of the soils, with a berm to contain any potential surface water runoff from the soil stockpiles during inclement weather.

d.3. Soils replacement

If necessary, clean fill or other suitable material(s) shall be used to bring portions of the project site, where contaminated soils have been excavated and removed, up to construction grade. If directed by DBI, the recommendations of the soil report will be followed, and the top 24 inches of site soils will be re-compacted to 95% relative compaction (SM-3; see the Statutory Measures section of this Initial Study).

d.4. Hauling and disposal

Contaminated soils shall be hauled off the project site by waste-hauling trucks appropriately certified with the State of California and adequately covered to prevent dispersion of the soils during transit, and shall be disposed of at a permitted hazardous waste disposal facility registered with the State of California.

e. Preparation of certification report

After excavation, tank replacement, and foundation construction activities are completed, the project sponsor shall prepare and submit a certification report to SFDPH for review and approval. The certification report shall include the mitigation measures in the SMP for handling and removing contaminated soils from the project site, whether the construction contractor modified any of these mitigation measures, and how and why the construction contractor modified those mitigation measures.

f. Deed recordation

After project construction and if both of the following circumstances are met, the project sponsor shall file a recordation on the deed for the subject property that indicates the need to take special precautions during future disturbance of the soils on the property due to certain on-site soil conditions: 1) based on the results of the soil and groundwater tests, SFDPH determines that project site soils or groundwater are contaminated at or above potentially hazardous levels, and/or 2) potentially hazardous levels of contaminants remain at the project site.

E. IMPROVEMENT MEASURES

The following Improvement Measures, which have been agreed to by the project sponsor, diminish effects of the project that are identified in the environmental analysis as being less-than-significant impacts.

IM-1. Loading

In order to ensure the proposed loading spaces are available for trucks at all times, the project sponsor should commit to removing the bollards that currently prevent delivery trucks from entering and enable effective use of the loading bays, and ensure that no garbage containers nor passenger vehicles will be stored in the truck loading spaces.

The project sponsor should ensure that the following design elements are included in the final design:

- The project sponsor should consider further modifications to the freight elevator at 575 Market Street building so that it would have doors at both front and back sides to allow the eastern most loading space to have a direct access to the elevator.
- The two loading spaces at 555 Market should be 12 feet wide and 35 feet deep.
- All loading spaces should have raised platforms to the rear, if necessary.

IM-2. Coordinate with City Departments to Reduce Traffic and Pedestrian Impacts During Construction

The project sponsor and construction contractor(s) should meet with the Traffic and Engineering Division of the Department of Parking and Traffic, the Fire Department, and the Planning Department to determine feasible traffic mitigation measures to reduce traffic congestion and pedestrian circulation impacts during construction of the project. In addition, to ensure that construction activities do not impact MUNI bus stops or routes in the area, the project sponsor should coordinate with MUNI's Chief Inspector and MUNI's Street Operations/Special Events office at (415) 554-9286 regarding any late closures and to coordinate construction activities and mitigate transit delays prior to construction.

IM-3. Limit Construction Truck Movement to Off-Peak Hours

The project sponsor should limit construction movements to the hours between 9:00 AM and 3:30 PM to minimize disruption of the general traffic flow on adjacent streets.

F. STATUTORY MEASURES

The following measures are required by existing statutes (federal, state, and local) and regulations (federal, state, regional, and local) for the protection of the environment and would be implemented by the project sponsor.

SM-1. Noise

Demolition and construction activities would be conducted in compliance with the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code), Sections 2907, 2908, and 2909. Section 2907 governs construction noise levels, Section 2908 governs hours of construction, and Section 2909 governs noise from building operations.

SM-2. Air Quality and Underground Storage Tanks

The Bay Area Air Quality Management District, Regulation 8, Rule 40 requires that written notification be submitted to the district at least five (5) days before the startup of an UST removal and/or excavation of contaminated soil.

SM-3. Geotechnical Report

For any development proposal in an area of liquefaction potential, the SFDBI will, in its review of the building permit application, require the project sponsor to prepare a geotechnical report pursuant to the State Seismic Hazards Mapping Act. The recommendations of the soils engineer regarding excavation, site preparation and grading, use of engineered fill, soil re-compaction for the top 24 inches of site soils to 95 percent relative compaction, seismic design, foundations, retaining walls, slab-on-grade floors, and site drainage to reduce liquefaction hazards will be reviewed by DBI. DBI will determine if further geotechnical investigation is required and would ensure that the report recommendations with which it concurs are followed by the project sponsor in constructing the proposed project.

SM-4. Groundwater and Dewatering

Any groundwater encountered during construction of the proposed project would be subject to requirements of the City's Industrial Waste Ordinance (Ordinance Number 199-77), requiring that groundwater meet specified water quality standards before it may be discharged into the sewer system.

The Bureau of Systems Planning, Environment and Compliance of the San Francisco Public Utilities Commission must be notified of projects necessitating dewatering.

SM-5. Permits for Underground Storage Tanks

Underground storage tank (UST) removal and installation activities would be permitted by the San Department of Public Health (DPH) in compliance with the Hazardous Materials Ordinance (Articles 21, 21A, and 22 of the San Francisco Health Code) prior to issuance of a building permit.

SM-6. Corrective Action Plan

Should the investigation show site soil or groundwater contamination with petroleum, the project sponsor would be required to prepare a Corrective Action Plan (CAP). DPH will determine if a CAP is required. This plan would be developed and implemented through the oversight of the Regional Water Quality Control Board (RWQCB).

SM-7. Site Mitigation Plan

Should the investigation show site soil or groundwater contamination with petroleum, the project sponsor would be required to prepare a Site Mitigation Plan (SMP). DPH will determine if a SMP is required. This plan would be developed and implemented through the oversight of the DPH.

SM-8. Asbestos

Section 19827.5 of the California Health and Safety Code, adopted January 1, 1991, requires that local agencies not issue demolition or alteration permits until an applicant has demonstrated compliance with notification requirements under applicable Federal regulations regarding hazardous air pollutants, including asbestos. Implementation of this statutory requirement would be carried out through the oversight of the Bay Area Air Quality Management District (BAAQMD).

SM-9. Lead-Based Paint

Demolition must comply with Chapter 36 of the San Francisco Building Code, Work Practices for Exterior Lead-Based Paint. Where there is any work that may disturb or remove lead-based paint on the exterior of any building built prior to December 31, 1978, Chapter 36 requires specific notification and work standards, and identifies prohibited work methods and penalties.

SM-10. Facility Emergency Plan and Hazardous Materials Plan

A Hazardous Materials Plan would be submitted to SFDPH and a Facility Emergency Plan would be submitted to the Fire Department (pursuant to Article 80 of the Fire Code) for emergency response preparation purposes.

G. MANDATORY FINDINGS OF SIGNIFICANCE

Yes No Discussed

- | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----------|---|
| 1) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or pre-history? | — | <u>X</u> | — |
| 2) Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals? | — | <u>X</u> | — |
| 3) Does the project have possible environmental effects which are individually limited, but cumulatively considerable? (Analyze in the light of past projects, other current projects, and probable future projects.) | — | <u>X</u> | — |
| 4) Would the project cause substantial adverse effects on human beings, either directly or indirectly? | — | <u>X</u> | — |

While local concerns or other planning considerations may be grounds for modification or denial of the proposal, in the independent judgment of the Planning Department, there is no substantial evidence that the project could have a significant effect on the environment.

H. ON THE BASIS OF THIS INITIAL STUDY

— I find the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared by the Planning Department.

X I find that although the proposed project could have a significant effect on the environment, there WILL NOT be a significant effect in this case because Mitigation Measures, numbers 1 - 4, in the discussion have been included as part of the proposed project. A MITIGATED NEGATIVE DECLARATION will be prepared.

— I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

September 27, 2002
DATE

PAUL E. MALTZER
Environmental Review Officer

For

Gerald G. Green
Director of Planning

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